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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. People view quality subjectively and in relation to differing criteria based on their individual roles in the production-marketing value chain.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 2. The transcendent definition of quality was first defined as the goodness of a product.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 3. According to the product perspective of quality, smaller numbers of product attributes are equivalent to higher quality.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 4. The user perspective of quality judges a product based on how well the product performs its intended function.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 5. According to the manufacturing perspective of quality, quality is based on consistency in goods and services.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 6. Inspection was the primary means of quality control during the first half of the twentieth century.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 7. During the 1940s and 1950s, after World War II, the quality of products was the most important priority of top managers as it was recognized as the key to worldwide success.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 8. Although quality can drive business success, it cannot guarantee it, and one must not infer that business failures or stock price drops are the result of poor quality.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 9. The Six Sigma approach for quality improvement requires increased levels of training and education for managers, but not for front-line employees.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 10. It is the responsibility of marketing and sales employees to learn about the products and product features that consumers want and know the prices that consumers are willing to pay for them.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 11. The receiving department in an organization ensures that the delivered items are of the quality specified by the purchase contract.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 12. The function of tool engineers in manufacturing industries is to work with product design engineers to develop realistic specifications.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 13. Inspection should be used as a means of gathering information that can be used to improve quality, not simply to remove defective items.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 14. If quality is built into the product properly, inspection should be unnecessary except for auditing purposes and functional testing.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 15. The production of services typically requires a lower degree of customization than does manufacturing.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 16. Services cannot be stored, inventoried, or inspected prior to delivery as manufactured goods are.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 17. Manufacturing is generally more labor intensive compared to services.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 18. Services are produced prior to consumption.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 19. Customers evaluate a service primarily by the quality of the human contact.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 20. The rapid increase in liability suits has made legal services an important aspect of quality assurance.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 21. Accounting data are useful in identifying areas of quality improvement and tracking the progress of quality improvement programs.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 22. The professional certifications of Certified Quality Manager, Certified Quality Engineer, and Certified Quality Auditor are sanctioned by the American Society for Quality (ASQ).   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 23. It is the responsibility of the organization’s quality function to “own” or guarantee quality throughout the organization.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 24. High quality of products is itself an important source of competitive advantage for organizations.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 25. Instituting a strategy of quality improvement usually helps to increase short-run profitability.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | False | |

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| 26. Today, organizations are asking employees to take more responsibility for acting as the point of contact between the organization and the customer.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 27. Employees who embrace quality as a personal value often go beyond what they’re asked or normally expected to do in order to reach a difficult goal or provide extraordinary service to a customer.   |  |  |  | | --- | --- | --- | |  | a. | True | |  | b. | False |  |  |  | | --- | --- | | *ANSWER:* | True | |

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| 28. Which of the following perspectives considers quality to be synonymous with superiority or excellence?   |  |  |  | | --- | --- | --- | |  | a. | Product perspective | |  | b. | Value perspective | |  | c. | Transcendent perspective | |  | d. | Manufacturing perspective |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 29. Which of the following statements regarding the transcendent or judgmental perspective of quality is true?   |  |  |  | | --- | --- | --- | |  | a. | It is of little practical value to the managers, as standards of excellence vary considerably among individuals. | |  | b. | It provides a precise and universally acceptable definition for quality. | |  | c. | It defines quality on the basis of the relationship of product benefits to price. | |  | d. | It provides a means by which quality can be measured or assessed as a basis for practical business decisions. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 30. A consumer electronics company introduced a new music system into the market with multiple features such as a built-in alarm, mobile and iPod charger, radio, and many more. The company is trying to influence the \_\_\_\_\_ perspective of quality by providing multiple features in a single product.   |  |  |  | | --- | --- | --- | |  | a. | value | |  | b. | user | |  | c. | product | |  | d. | transcendent |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 31. Which of the following perspectives of quality judges a product on the basis of how well the product performs its intended function?   |  |  |  | | --- | --- | --- | |  | a. | Value perspective | |  | b. | Product perspective | |  | c. | User perspective | |  | d. | Manufacturing perspective |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 32. The value perspective defines quality of a product on the basis of the   |  |  |  | | --- | --- | --- | |  | a. | ability of the product to perform its intended function. | |  | b. | relationship of product benefits to price. | |  | c. | quantity of some product attribute. | |  | d. | product’s conformance to its specifications. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 33. Kosher’s, a supermarket in Surbury, employs various strategies to provide good quality products to consumers at lower prices compared to other competing stores. This marketing strategy is most likely to influence the \_\_\_\_\_ perspective of quality.   |  |  |  | | --- | --- | --- | |  | a. | user | |  | b. | product | |  | c. | value | |  | d. | manufacturing |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 34. Which of the following perspectives judges quality of a product on the basis of consistency in meeting product specifications?   |  |  |  | | --- | --- | --- | |  | a. | Manufacturing perspective | |  | b. | User perspective | |  | c. | Value perspective | |  | d. | Transcendent perspective |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 35. The \_\_\_\_\_ perspective defines quality as the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs.   |  |  |  | | --- | --- | --- | |  | a. | value | |  | b. | transcendent | |  | c. | manufacturing | |  | d. | customer |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 36. The ultimate purchaser of a product or service is referred to as a(n)   |  |  |  | | --- | --- | --- | |  | a. | supplier. | |  | b. | external customer. | |  | c. | consumer. | |  | d. | internal customer. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 37. Shenzen Electronics, a cell phone manufacturing company, buys microphones and Bluetooth handsets from Atid Infotech, which manufactures cell phones and cellular accessories. For Atid Infotech, Shenzen is a(n)   |  |  |  | | --- | --- | --- | |  | a. | consumer. | |  | b. | supplier. | |  | c. | external customer. | |  | d. | internal customer. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 38. Which of the following statements regarding internal customers of an organization is true?   |  |  |  | | --- | --- | --- | |  | a. | They buy products or services for their own personal use. | |  | b. | They receive goods or services from suppliers within the organization. | |  | c. | They are the ultimate purchasers of a product or service. | |  | d. | They do not add any value to the product before it reaches the consumer. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 39. Customers generally view quality from the \_\_\_\_\_ perspective.   |  |  |  | | --- | --- | --- | |  | a. | user | |  | b. | manufacturing | |  | c. | value | |  | d. | transcendent or product |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 40. Which of the following perspectives of quality is most likely to be meaningful to people who work in marketing because they are responsible for determining the needs and expectations of the customers?   |  |  |  | | --- | --- | --- | |  | a. | User perspective | |  | b. | Manufacturing perspective | |  | c. | Value perspective | |  | d. | Transcendent perspective |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 41. The value perspective of quality is most important at the \_\_\_\_\_ stage in the creation and delivery of goods and services.   |  |  |  | | --- | --- | --- | |  | a. | manufacturing | |  | b. | design | |  | c. | marketing | |  | d. | distribution |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 42. Which of the following perspectives of quality is meaningful for production workers who are responsible for guaranteeing that design specifications are met during production?   |  |  |  | | --- | --- | --- | |  | a. | User perspective | |  | b. | Customer perspective | |  | c. | Product perspective | |  | d. | Manufacturing perspective |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 43. Which of the following perspectives of quality provides the basis for coordinating the entire value chain?   |  |  |  | | --- | --- | --- | |  | a. | Customer perspective | |  | b. | User perspective | |  | c. | Transcendent perspective | |  | d. | Value perspective |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 44. Which of the following statements regarding quality management during the age of craftsmanship that existed before the advent of the Industrial Revolution is true?   |  |  |  | | --- | --- | --- | |  | a. | Inspection was the primary means of quality control. | |  | b. | Various statistical methods and control charts were being used to identify quality problems in production processes and to ensure consistency of output. | |  | c. | Ensuring quality of products was the responsibility of the quality departments, not the workers who were directly involved in creating the products. | |  | d. | Quality assurance was informal and efforts were made to ensure that quality was built into products by the people who produced them. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 45. The concept of total quality is defined as a(n)   |  |  |  | | --- | --- | --- | |  | a. | customer-focused, results-oriented approach to business improvement that integrates many traditional quality improvement tools and techniques with a bottom-line and strategic orientation. | |  | b. | people-focused management system that aims at continual increase in customer satisfaction at continually lower real cost. | |  | c. | structured approach to organizational management that is used to prioritize and select projects that have high benefits relative to the effort involved in accomplishing them. | |  | d. | integrated approach to organizational performance management that results in lower consumption of resources. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 46. Which of the following statements regarding the Six Sigma approach to quality improvement is true?   |  |  |  | | --- | --- | --- | |  | a. | It does not address problems involving cost reduction and efficiency. | |  | b. | It integrates many traditional quality improvement tools and techniques that have been tested and validated over the years, with a bottom-line and strategic orientation that appeals to senior managers. | |  | c. | It becomes less effective in addressing problems related to quality and efficiency if the Six Sigma tools are combined with lean tools from the Toyota production system. | |  | d. | It focuses entirely on the training and education of managers and not the front-line employees and the technical staff in the organization. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 47. Marketing and sales employees in an organization contribute to the quality of the product by   |  |  |  | | --- | --- | --- | |  | a. | bringing together technical staffs from both the buyer’s and supplier's companies to design products and solve technical problems. | |  | b. | designing and maintaining the tools used in manufacturing and inspection of goods. | |  | c. | learning the products and product features that consumers want and knowing the prices that consumers are willing to pay for them. | |  | d. | ensuring that the items delivered by the suppliers are of the quality specified by the purchase contract. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 48. The purchasing department helps a firm achieve quality by   |  |  |  | | --- | --- | --- | |  | a. | defining long- and short-term production requirements for filling customer orders and meeting anticipated demand. | |  | b. | ensuring that the products are assembled correctly and eliminating the causes that can lead to defects or errors in the final product. | |  | c. | collaborating with product design engineers to develop realistic specifications for the product. | |  | d. | providing quality-improvement training to suppliers. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 49. Which of the following employees in an organization are responsible for selecting appropriate technologies, equipment, and work methods for producing quality products?   |  |  |  | | --- | --- | --- | |  | a. | Production workers | |  | b. | Industrial engineers | |  | c. | Salespeople | |  | d. | Tool engineers |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 50. Which of the following functions in the manufacturing system is responsible for specifying long- and short-term production requirements for filling customer orders and meeting anticipated demand?   |  |  |  | | --- | --- | --- | |  | a. | Product design and engineering | |  | b. | Manufacturing and assembly | |  | c. | Production planning and scheduling | |  | d. | Industrial engineering and process design |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 51. The inspection and testing function in a manufacturing system contributes to the quality of the product by   |  |  |  | | --- | --- | --- | |  | a. | gathering information that can be used to improve the quality of products. | |  | b. | selecting quality-conscious suppliers and ensuring that purchase orders clearly define the quality requirements specified by product design and engineering. | |  | c. | designing and maintaining the tools used in manufacturing products. | |  | d. | selecting appropriate technologies, equipment, and work methods for producing quality products. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 52. The production of services differs from manufacturing because services   |  |  |  | | --- | --- | --- | |  | a. | can be inspected prior to delivery. | |  | b. | require less customization compared to manufactured goods. | |  | c. | produce outputs that are mostly intangible. | |  | d. | are less labor intensive and involve minimal human interaction. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 53. Which of the following statements regarding production of services is true?   |  |  |  | | --- | --- | --- | |  | a. | Compared to manufacturing organizations, it is easier for service organizations to identify and measure customers’ needs and performance standards as they involve human contact. | |  | b. | The production of services typically requires a lower degree of customization than does manufacturing. | |  | c. | Compared to manufacturing, production of services is typically less labor intensive. | |  | d. | Services are produced and consumed simultaneously |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 54. Customers evaluate a service primarily by the   |  |  |  | | --- | --- | --- | |  | a. | speed of the service. | |  | b. | accuracy of the service. | |  | c. | quality of the human contact. | |  | d. | degree of customization offered by the service. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 55. Which of the following is a negative impact of information technology on the customer service provided by service organizations?   |  |  |  | | --- | --- | --- | |  | a. | It has increased the labor intensity involved in the production of services. | |  | b. | It has resulted in less personal interaction between consumers and service providers leading to decreased customer satisfaction among some consumers. | |  | c. | It has decreased the speed of service. | |  | d. | It has restricted the ability of customers to compare products with competitor brands before making a purchase. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 56. The \_\_\_\_\_ function helps an organization in achieving quality by exposing the costs of poor quality and opportunities for reducing it.   |  |  |  | | --- | --- | --- | |  | a. | marketing and sales | |  | b. | manufacturing and assembly | |  | c. | legal services | |  | d. | finance and accounting |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 57. Which of the following business support functions helps in achieving quality by ensuring that the product labeling, packaging, and safety measures are in compliance with laws and regulations?   |  |  |  | | --- | --- | --- | |  | a. | Marketing and sales | |  | b. | Tool engineering | |  | c. | Legal services | |  | d. | Finance and accounting |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 58. One of the ways that the legal services function helps to achieve quality is by   |  |  |  | | --- | --- | --- | |  | a. | ensuring that the firm provides adequate training to its salespeople so that they can appropriately answer all customer queries. | |  | b. | designing and wording the company’s product warranties properly. | |  | c. | providing special statistical studies and analyses to the manufacturing or business support functions. | |  | d. | authorizing sufficient budgeting for equipment, training, and other means of assuring quality. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 59. Many organizations have separate quality functions or departments that assume all of the following roles EXCEPT   |  |  |  | | --- | --- | --- | |  | a. | metrology. | |  | b. | product/service design. | |  | c. | legal services. | |  | d. | supplier quality management. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 60. Which of the following terms best represents a firm’s ability to achieve market superiority?   |  |  |  | | --- | --- | --- | |  | a. | Flexibility | |  | b. | Competitive advantage | |  | c. | Quality assurance | |  | d. | Agility |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 61. The book *Quality Is Free* was written by   |  |  |  | | --- | --- | --- | |  | a. | Joseph Juran. | |  | b. | Edwards Deming. | |  | c. | Malcolm Baldrige. | |  | d. | Philip Crosby. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 62. Improved conformance in production or service delivery tends to increase profitability as   |  |  |  | | --- | --- | --- | |  | a. | it helps in differentiating the product from its competitors and improves the perceived value of the product. | |  | b. | it ensures that the services are performed according to the convenience of the customer. | |  | c. | it leads to lower costs through savings in rework, scrap, resolution of errors, and warranty expenses. | |  | d. | it leads to improved employee motivation. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 63. Organizations can ensure that quality is rooted in their culture by   |  |  |  | | --- | --- | --- | |  | a. | internalizing quality at the personal level and encouraging employees to practice quality in all activities of daily life. | |  | b. | encouraging employees to do more than what they are expected to do through reward programs. | |  | c. | ensuring that the company follows all the laws and regulations regarding product labeling, packaging, and other marketing requirements. | |  | d. | allotting sufficient budget amounts for equipment, training, and other means of assuring quality. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 64. While facing a competitive crisis, Xerox adopted a new process in 1983 called   |  |  |  | | --- | --- | --- | |  | a. | Excellence in All We Do. | |  | b. | Leadership Through Quality. | |  | c. | Lean Six Sigma. | |  | d. | New Quality Renewal. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 65. What was the reason for the competitive advantage of Xerox?   |  |  | | --- | --- | | *ANSWER:* | Xerox's competitive advantage was due to strong patents, a growing market, and little competition. | |

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| 66. What led to the fall of Xerox’s market share to less than 50 percent?   |  |  | | --- | --- | | *ANSWER:* | Several Japanese companies introduced high-quality low-volume copiers, a market that Xerox had virtually ignored, and established a foundation for moving into the high-volume market. In addition, the Federal Trade Commission accused Xerox of illegally monopolizing the copier business. After negotiations, Xerox agreed to open approximately 1,700 patents to competitors. Xerox was soon losing market share to Japanese competitors, and by the early 1980s it faced a serious competitive threat from copy machine manufacturers in Japan. All these factors led to the fall of Xerox’s market share to less than 50 percent. | |

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| 67. What is the quality policy of Xerox written by David Kearns and 25 other top employees of Xerox?   |  |  | | --- | --- | | *ANSWER:* | Kearns and the company’s top 25 managers wrote the Xerox Quality Policy, which states: Xerox is a quality company. Quality is the basic business principle for Xerox. Quality means providing our external and internal customers with innovative products and services that fully satisfy their requirements. Quality improvement is the job of every Xerox employee. | |

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| 68. What are the objectives of the Leadership Through Quality process?   |  |  | | --- | --- | | *ANSWER:* | The Leadership Through Quality process had three objectives:  ​  1. To instill quality as the basic business principle in Xerox, and to ensure that quality improvement becomes the job of every Xerox person.  2. To ensure that Xerox people, individually and collectively, provide our external and internal customers with innovative products and services that fully satisfy their existing and latent requirements.  3. To establish, as a way of life, management and work processes that enable all Xerox people to continuously pursue quality improvement in meeting customer requirements. | |

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| 69. The Leadership Through Quality process was directed at achieving what four goals in all Xerox activities?   |  |  | | --- | --- | | *ANSWER:* | Leadership Through Quality was directed at achieving four goals in all Xerox activities:  ​  1. Customer Goal: To become an organization with whom customers are eager to do business.  2. Employee Goal: To create an environment where everyone can take pride in the organization and feel responsible for its success.  3. Business Goal: To increase profits and presence at a rate faster than the markets in which Xerox competes.  4. Process Goal: To use Leadership Through Quality principles in all Xerox does. | |

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| 70. How did Leadership Through Quality radically change the way Xerox did business?   |  |  | | --- | --- | | *ANSWER:* | All activities, such as product planning, distribution, and establishing unit objectives, began with a focus on customer requirements. Benchmarking —identifying and studying the companies and organizations that best perform critical business functions and then incorporating those organizations’ ideas into the firm’s operations —became an important component of Xerox’s quality efforts. Xerox benchmarked more than 200 processes with those of noncompetitive companies. Measuring customer satisfaction and training were important components of the program. Every month, 40,000 surveys were mailed to customers, seeking feedback on equipment performance, sales, service, and administrative support. Any reported dissatisfaction was dealt with immediately and was usually resolved in a matter of days. When the program was instituted, every Xerox employee worldwide, and at all levels of the company, received the same training in quality principles. This training began with top management and filtered down through each level of the firm. | |

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| 71. What was the first program at Xerox that linked managers with employees in a mutual problem-solving approach and served as a model for other corporations?   |  |  | | --- | --- | | *ANSWER:* | Xerox had always had good relationships with its unions. In 1980, the company signed a contract with its principal union, the Amalgamated Clothing and Textile Workers, encouraging union members’ participation in quality improvement processes. It was the first program in the company that linked managers with employees in a mutual problem-solving approach and served as a model for other corporations. | |

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| 72. List some of the impacts of the Leadership Through Quality program at Xerox.   |  |  | | --- | --- | | *ANSWER:* | Some of the most obvious impacts of the Leadership Through Quality program included the following:  ​  1. Reject rates on the assembly line fell from 10,000 parts per million to 300 parts per million.  2. Ninety-five percent of supplied parts no longer needed inspection; in 1989, 30 U.S. suppliers went the entire year defect-free.  3. The number of suppliers was cut from 5,000 to fewer than 500.  4. The cost of purchased parts was reduced by 45 percent.  5. Despite inflation, manufacturing costs dropped 20 percent.  6. Product development time decreased by 60 percent.  7. Overall product quality improved 93 percent. | |

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| 73. What basic principles support Xerox's core value “We deliver quality and excellence in all we do”?   |  |  | | --- | --- | | *ANSWER:* | The basic principles at Xerox that support its core value are as follows:  ​  1. Customer-focused employees, accountable for business results, are fundamental to our success.  2. Our work environment enables participation, speed, and teamwork based on trust, learning, and recognition.  3. Everyone at Xerox has business objectives aligned to the Xerox direction. A disciplined process is used to assess progress toward delivery of results.  4. Customer-focused work processes, supported by disciplined use of quality tools, enable rapid changes and yield predictable business results.  5. Everyone takes responsibility to communicate and act on benchmarks and knowledge that enable rapid change in the best interests of customers and shareholders. | |

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| 74. What are the key components of Xerox’s Lean Six Sigma?   |  |  | | --- | --- | | *ANSWER:* | The key components of Xerox’s Lean Six Sigma are as follows:  1. Performance excellence process:   * Supports clearer, simpler alignment of corporate direction to individual objectives * Emphasizes ongoing inspection/assessment of business priorities * Provides clear links to market trends, benchmarking, and Lean Six Sigma * Supports a simplified “Baldrige-type” business assessment model   2. DMAIC (define, measure, analyze, improve, control) process:   * Based on industry-proven Six Sigma approach with speed and focus * Four steps support improvement projects, set goals * Used to proactively capture opportunities or solve problems * Full set of lean and Six Sigma tools   3. Market trends and benchmarking:   * Reinforces market focus and encourages external view * Disciplined approach to benchmarking * Establishes a common four-step approach to benchmarking * Encourages all employees to be aware of changing markets * Strong linkage to performance excellence process and DMAIC   4. Behaviors and leadership:   * Reinforces customer focus * Expands interactive skills to include more team effectiveness * Promotes faster decision making and introduces new meeting tool | |

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| 75. What do today’s Chinese quality systems strongly emphasize?   |  |  | | --- | --- | | *ANSWER:* | Today’s Chinese quality systems strongly emphasize tools, methodology and measurement, and place great importance on key quality management processes, including self-inspection, traceability, and recruiting and training of workers. | |

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| 76. Describe the steps taken by Huawei’s senior management to become the “Toyota of the telecom industry.”   |  |  | | --- | --- | | *ANSWER:* | Huawei’s senior management recently declared the company’s desire to be the “Toyota of the telecom industry.” To achieve this, Huawei has studied Western telecom manufacturing in great detail and has invested heavily in the latest tools and technology. It is constantly looking for better tools and techniques that will make it a world leader, moving away from its current emphasis on low-cost production. | |

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| 77. Discuss the key features of the QuEST Forum.   |  |  | | --- | --- | | *ANSWER:* | The QuEST Forum is a unique collaboration of telecommunications service providers and suppliers dedicated to telecom supply chain quality and performance. The Forum supports its member organizations to pursue performance excellence through implementing a common quality standard, emphasizing industry best practices and delivering a benchmarking measurement system. There are 11 benchmark measurements, including number of problem reports, problem report fix response time, on-time delivery, network element impact outage measurement, and field replacement unit returns. | |

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| 78. What key areas in corporation health are measured by the executive management team balanced scorecard at Huawei?   |  |  | | --- | --- | | *ANSWER:* | The balanced scorecard at Huawei measures four key areas in corporation health: financial and profit, customer and quality, growth and learning, and internal business performance. | |

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| 79. Explain the significance of integrating different quality perspectives in the value chain.   |  |  | | --- | --- | | *ANSWER:* | Individuals in different business functions speak different languages. Thus, different quality perspectives at different points in the value chain are important to ultimately create and deliver goods and services that will satisfy customers’ needs and expectations. The customer is the driving force for the production of goods and services, and customers generally view quality from either the transcendent or the product perspective.  The goods and services produced should meet customers’ needs and expectations. It is the role of the marketing function to determine these. Hence, the user perspective of quality is meaningful to people who work in marketing.  The manufacturer must translate customer requirements into detailed product and process specifications. Making this translation is the role of research and development, product design, and engineering. Product specifications might address such attributes as size, form, finish, taste, dimensions, tolerances, materials, operational characteristics, and safety features. Process specifications indicate the types of equipment, tools, and facilities to be used in production. Product designers must balance performance and cost to meet financial and marketing objectives; thus, the value perspective of quality is most useful at this stage.  The manufacturing function is responsible for guaranteeing that design specifications are met during production and that the final product performs as intended. Thus, for production workers, quality is defined by the manufacturing perspective.  Throughout the value chain, each function is an internal customer of others, and the firm itself may be an external customer or supplier to other firms. Thus, the customer perspective provides the basis for coordinating the entire value chain. | |

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| 80. Discuss the “quality revolution” that took place in the United States after the 1960s.   |  |  | | --- | --- | | *ANSWER:* | During the 1950s and 1960s, when “made in Japan” was associated with inferior products, U.S. consumers purchased domestic goods and accepted their quality without question. During the 1970s, however, increased global competition and the availability of higher-quality foreign products led U.S. consumers, armed with increased access to information, to consider their purchasing decisions more carefully and to demand high quality and reliability in goods and services at a fair price. The decade of the 1980s was a period of remarkable change and growing awareness of quality by consumers, industry, and government. As technology advanced and products became more complex, the likelihood of a quality problem increased. Government safety regulations, product recalls, and the rapid increase in product-liability judgments changed society’s attitude from “let the buyer beware” to “let the producer beware.” Businesses began to recognize that quality was vital to their survival. Quality became recognized as a key to worldwide competitiveness and was heavily promoted throughout industry. Most major U.S. firms instituted extensive quality improvement campaigns, directed not only at improving internal operations, but also toward satisfying external customers. | |

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| 81. Explain the role of information technology in service industries.   |  |  | | --- | --- | | *ANSWER:* | Many service industries exploit information technology to achieve high customer service. Information technology systems helps to save time, improve accuracy by standardizing the order-taking, billing, and inventory procedures and reducing the need for handwriting. Credit authorizations, which once took several minutes by telephone, are now accomplished in seconds through computerized authorization systems. It allows businesses to maintain a database of individual customer preferences, previous difficulties, family and personal interests, and preferred credit cards. Information technology has had a huge impact on e-commerce. Customers can shop for almost any product; configure, price, and order computer systems; and take virtual test drives of automobiles and select from thousands of possible combinations of options on the Internet in the convenience of their homes. Information technology can be used to develop and enhance customer relationships. However, while information technology reduces labor intensity and increases the speed of service, it can have adverse effects on other dimensions of quality due to reduced personal interaction between the customers and the organization. | |

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| 82. How do quality of design and conformance influence the profitability of an organization?   |  |  | | --- | --- | | *ANSWER:* | Profitability is driven by both the quality of design and conformance. Improvements in design will differentiate the product from its competitors, improve a firm’s quality reputation, and improve the perceived value of the product. These factors allow the firm to command higher prices as well as to achieve a greater market share, which in turn leads to increased revenues that offset the costs of improving the design. Improved conformance in production or service delivery leads to lower costs through savings in rework, scrap, resolution of errors, and warranty expenses. | |

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| 83. Why is it important for organizations to internalize quality at the personal level?   |  |  | | --- | --- | | *ANSWER:* | Organizations today expect their employees to take more responsibility for acting as the point of contact between the organization and the customer, to be team players, and to provide better customer service. Quality begins with individual attitudes and behavior. Employees who embrace quality as a personal value often go beyond what they’re asked or normally expected to do in order to reach a difficult goal or provide extraordinary service to a customer. Personal quality is an essential ingredient to make quality happen in the workplace. Unless quality is internalized at the personal level, it will never become rooted in the culture of an organization. | |