Assignment 5

The due date for submitting this assignment has passed.

1. An operations strategy for inventory management should work toward 1 point
   - Increasing lead time
   - Decreasing lead time
   - Increasing safety stocks
   - Decreasing safety stocks
   - Increasing service levels
   - Decreasing service levels
   - The answer is incorrect.
   - Accepted Answer: 

2. In a single period inventory situation, the probability that demand will be 1, 2, 3, or 4 units is 0.5, 0.3, 0.2, and 0.1 respectively. If two units are placed, what is the probability of selling both of them? 1 point
   - 0.5
   - 0.0
   - 0.1
   - 0.8
   - Accept the answer.
   - Accepted Answer: 0.8

3. In a single period model, if excess cost is double the shortage cost, the approximate stock-out risk, assuming an optimum service level, is _______ percent. 1 point
   - 10
   - 67
   - 80
   - 50
   - The answer is incorrect.
   - Accepted Answer: 67
   - Accepted Answer: 0.8

4. Which of these products would be most apt to involve the use of a single-period model? 1 point
   - Small cases
   - Increases
   - Reprints
   - Calculators
   - The answer is incorrect.
   - Accepted Answer: Small cases
   - Accepted Answer: Small cases

5. If average demand for an item is 20 units per day, safety stock is 25 units, and lead time is four days, the ROP will be: 1 point
   - 90
   - 70
   - 100
   - 80
   - The answer is incorrect.
   - Accepted Answer: 130
   - Accepted Answer: 130

6. With an ABC system, as item that had a high demand but a low annual usage volume would probably be classified as: 1 point
   - A
   - B
   - C
   - Any one of the above is possible
   - The answer is incorrect.
   - Accepted Answer: C
   - Accepted Answer: C

7. The Operations Manager for Stratford Savings & Loan orders cash from her home office for her very popular "BIG BUCKS" automated teller machine, which dispenses an average of 15,000 bills per month, and that casing cash in inventory costs 10 percent of its value annually. She knows that each order for these bills costs $250 for handling and amortized delivery costs, and her order lead time is six days. If she were to order 6,950 bills at once, what would be the average monthly cost? EXCLUDING the taxes of the bill? 1 point
   - $250
   - $235
   - $250
   - $150
   - The answer is incorrect.
   - Accepted Answer: $235
   - Accepted Answer: $235

8. The materials manager for a billiard ball maker must periodically place orders for raw, one of the raw materials used in producing billiard balls. She is known that manufacturing cases weigh at one of the billiards every week, and that it costs $85 per day to carry a single billet of chalk in inventory. She also knows that the order costs per month are $120 per order, and that the lead time for delivery is four days. At what point should she reorder? 1 point
   - 1 kg remaining
   - 9 kg remaining
   - 5 kg remaining
   - 6 kg remaining
   - The answer is incorrect.
   - Accepted Answer: 20 kg ordered
   - Accepted Answer: 20 kg ordered

9. Which of the following is not report for MRP? 1 point
   - Bill of materials
   - Inventory records
   - Water System
   - Planned order schedule
   - The answer is incorrect.
   - Accepted Answer: Water System
   - Accepted Answer: Water System

10. Which of the following is not used in updating MRP records? 1 point
    - Receptive
    - Net Change
    - Depreciation
    - None of the above
    - The answer is incorrect.
    - Accepted Answer: Depreciation
    - Accepted Answer: Depreciation