

### Question 1

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The resources in an economy:

- a) Are always fixed
- b) Can never decrease
- c) Always increase over time
- d) Are limited at any moment in time

### Question 2

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Human wants are:

- a) Always fixed
- b) Limited
- c) Unlimited
- d) Likely to decrease over time

### Question 3

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The sacrifice involved when you choose a particular course of action is called the:

- a) Alternative
- b) Opportunity cost
- c) Consumer cost
- d) Producer cost

### Question 4

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Which one of the following is **not** one of the basic economic questions?

- a) What to produce
- b) Who to produce for
- c) How to produce
- d) How to minimize economic growth

### Question 5

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The basic economic problems will **not** be solved by:

- a) Market forces
- b) Government intervention
- c) A mixture of government intervention and the free market
- d) The creation of unlimited resources

### Question 6

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The free market involves:

- a) The free provision of products
- b) The subsidising of products by the government
- c) Market forces of supply and demand
- d) All trade via barter

### Question 7

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A mixed economy:

- a) Allocates resources via supply but not demand
- b) Allocates resources via demand but not supply
- c) Allocates resources via supply and demand
- d) Allocates resources via market forces and government intervention

### Question 8

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Which of the following is NOT likely to be true in a command economy?

- a) Businesses may pursue social objectives
- b) The profits of a business belong to the government
- c) Resources are allocated by government directives
- d) Market forces determine what is produced and who receives the products

### Question 9

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The public sector includes:

- a) Investors owning companies
- b) Government ownership of assets
- c) Market forces of supply and demand
- d) Private enterprise

### Question 10

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Which of the following is a normative statement in economics?

- a) More spending by the government reduces poverty
- b) Higher taxes lead to less desire to work
- c) The UK economy is growing fast relative to other European Union members
- d) The government should concentrate on reducing unemployment

### Question 11

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Which best describes a demand curve?

- a) The quantity consumers would like to buy in an ideal world
- b) The quantity consumers are willing to sell
- c) The quantity consumers are willing and able to buy at each and every income all other things unchanged
- d) The quantity consumers are willing and able to buy at each and every price all other things unchanged

### Question 12

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A fall in price:

- a) Will cause an inward shift of demand
- b) Will cause an outward shift of supply
- c) Leads to a movement along a demand curve
- d) Leads to a higher level of production

### Question 13

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Demand for a normal product may shift outwards if:

- a) Price decreases
- b) The price of a substitute rises
- c) The price of a complement rises
- d) Income falls

### Question 14

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According to the law of diminishing marginal utility:

- a) Utility is at a maximum with the first unit
- b) Increasing units of consumption increase the marginal utility
- c) Marginal product will fall as more units are consumed
- d) Total utility will rise at a falling rate as more units are consumed

### Question 15

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If marginal utility is zero:

- a) Total utility is zero
- b) An additional unit of consumption will decrease total utility
- c) An additional unit of consumption will increase total utility
- d) Total utility is maximized

### Question 16

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A decrease in income should:

- a) Shift demand for an inferior product inwards
- b) Shift demand for an inferior product outwards
- c) Shift supply for an inferior product outwards
- d) Shift supply for an inferior product inwards

### Question 17

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An increase in the price of a complement for product A would:

- a) Shift demand for product A outwards
- b) Shift demand for product A inwards
- c) Shift supply for product A outwards
- d) Shift supply for product A inwards

### Question 18

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An increase in price, all other things unchanged, leads to:

- a) Shift demand outwards
- b) Shift demand inwards
- c) A contraction of demand
- d) An extension of demand

### Question 19

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If a product is a Veblen good:

- a) Demand is inversely related to income
- b) Demand is inversely related to price
- c) Demand is directly related to price
- d) Demand is inversely related to the price of substitutes

### Question 20

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If a product is an inferior good:

- a) Demand is inversely related to income
- b) Demand is inversely related to price
- c) Demand is directly related to price
- d) Demand is directly related to the price of substitutes

### Question 21

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Demand-pull inflation may be caused by:

- a) An increase in costs
- b) A reduction in interest rate
- c) A reduction in government spending
- d) An outward shift in aggregate supply

### Question 22

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Inflation:

- a) Reduces the cost of living
- b) Reduces the standard of living
- c) Reduces the price of products
- d) Reduces the purchasing power of a lari

### Question 23

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An increase in injections into the economy may lead to:

- a) An outward shift of aggregate demand and demand-pull inflation
- b) An outward shift of aggregate demand and cost push inflation
- c) An outward shift of aggregate supply and demand-pull inflation
- d) An outward shift of aggregate supply and cost push inflation

### Question 24

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An increase in aggregate demand is more likely to lead to demand-pull inflation if:

- a) Aggregate supply is perfectly elastic
- b) Aggregate supply is perfectly inelastic
- c) Aggregate supply is unit elastic
- d) Aggregate supply is relatively elastic

### Question 25

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An increase in costs will:

- a) Shift aggregate demand
- b) Shift aggregate supply
- c) Reduce the natural rate of unemployment
- d) Increase the productivity of employees

### Question 26

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The effects of inflation on the price competitiveness of a country's products may be offset by:

- a) An appreciation of the currency
- b) A revaluation of the currency
- c) A depreciation of the currency
- d) Lower inflation abroad

### Question 27

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Menu costs in relation to inflation refer to:

- a) Costs of finding better rates of return
- b) Costs of altering price lists
- c) Costs of money increasing its value
- d) Costs of revaluing the currency

### Question 28

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In the short run unemployment may fall below the natural rate of unemployment if:

- a) Nominal wages have risen less than inflation
- b) Nominal wages have risen at the same rate as inflation
- c) Nominal wages have risen more than inflation
- d) Nominal wages have risen less than unemployment

### Question 29

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According to the Phillips curve unemployment will return to the natural rate when:

- a) Nominal wages are equal to expected wages
- b) Real wages are back at equilibrium level
- c) Nominal wages are growing faster than inflation
- d) Inflation is higher than the growth of nominal wages

### Question 30

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The Phillips curve shows the relationship between inflation and what?

- a) The balance of trade
- b) The rate of growth in an economy
- c) The rate of price increases
- d) Unemployment

### Question 31

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Economic growth can be measured by:

- a) The CPI
- b) The CBI
- c) GDP
- d) MPC



### Question 32

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In a boom:

- a) Unemployment is likely to fall
- b) Prices are likely to fall
- c) Demand is likely to fall
- d) Imports are likely to fall

### Question 33

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In a recession, GDP:

- a) Grows negatively
- b) Grows slowly
- c) Grows by 0%
- d) Grows rapidly

### Question 34

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The economic cycle is measured by

- a) CPT
- b) RPI
- c) GDP
- d) MEC

### Question 35

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A government is most likely to use a reflationary policy

- a) In a recession
- b) In a boom
- c) When there is fast GDP growth
- d) When prices are increasing fast

### Question 36

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Potential growth measures:

- a) The growth of the fastest economy in the world
- b) The fastest growth an economy has ever achieved
- c) The present rate of growth of an economy
- d) The rate of growth that could be achieved if resources were fully employed

### Question 37

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Economic growth can be seen by an outward shift of:

- a) The Production Possibility Frontier
- b) The Gross Domestic Barrier
- c) The Marginal Consumption Frontier
- d) The Minimum Efficient Scale

### Question 38

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The socially optimal rate of growth is:

- a) Zero
- b) Negative
- c) Where the marginal social benefit = the marginal social cost
- d) Total social costs are minimized

### Question 39

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To anticipate what the economy is going to do next the government will look at:

- a) Lagging indicators
- b) Flashing indicators
- c) Coincidental indicators
- d) Leading indicators

#### Question 40

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The output gap is

- a) The difference between this year's and last year's output
- b) The difference between this year's and next year's output
- c) The difference between actual and potential output
- d) The difference between actual and expected outputs

#### Question 41

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Operations Management is a \_\_\_\_\_ process.

- a) translation
- b) transformation
- c) transaction
- d) transition

#### Question 42

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Which of these Managers would be least likely to be considered in an operations management role within an organization?

- a) Production Manager
- b) Reservations Manager
- c) Financial Risk Manager
- d) Quality Manager

#### Question 43

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There are 5 basic organizational forms, simple, functional, divisional, conglomerate and \_\_\_\_\_?

- a) hybrid
- b) complex
- c) corporate
- d) hierarchical

#### Question 44

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Organizing budget hotels within a chain by geographical location is an example of which type of organizational form?

- a) Conglomerate
- b) Hybrid
- c) Simple
- d) Divisional

#### Question 45

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Which of these would an operations manager **not** be responsible for?

- a) Safety and maintenance
- b) Sales and marketing
- c) Selecting suppliers
- d) Recruiting employees

#### Question 46

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Operations can be diagnosed by volume, variety, variation and \_\_\_\_\_?

- a) validity
- b) variability
- c) value
- d) variance

#### Question 47

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The size of the product range or number of services offered is called \_\_\_\_\_?

- a) variability
- b) validity
- c) variety
- d) variation

### Question 48

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The extent to which a product or service may be customized is called \_\_\_\_\_?

- a) variability
- b) validity
- c) variety
- d) variation

### Question 49

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Services differ from manufactured products in four ways. Intangibility, Inseparability, Perishability and \_\_\_\_\_?

- a) homogeneity
- b) heterogeneity
- c) intractability
- d) invisibility

### Question 50

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The Servuction model recognizes that operations can process customers through their infrastructure or through their \_\_\_\_\_?

- a) performance
- b) procedures
- c) staff
- d) systems

### Question 51

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A project is a process with which of the following characteristics?

- a) Low volume, low variety
- b) Low volume, high variety
- c) High volume, low variety
- d) High volume, high variety

### Question 52

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What are the main features of a project?

- a) Repeatable with low costs and short timescales
- b) Unique with variable costs and time constraints
- c) Repeatable with variable costs and time constraints
- d) Unique with fixed cost and time constraints

### Question 53

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In which of the four stages in a project would you determine the milestones or significant events?

- a) Scoping
- b) Planning
- c) Implementation
- d) Evaluation

### Question 54

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In which of the four stages in a project would you determine the work activities required?

- a) Scoping
- b) Planning
- c) Implementation
- d) Evaluation

### Question 55

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In which of the four stages in a project would you carry out the agreed tasks?

- a) Scoping
- b) Planning
- c) Implementation
- d) Evaluation

### Question 56

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Activities can be drawn in a hierarchical structure called a \_\_\_\_\_?

- a) Work allocation structure (WAS)
- b) Work breakdown structure (WBS)
- c) Work control structure (WCS)
- d) Work detail structure (WDS)

### Question 57

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A planning chart which considers time, cost and resource allocation to a project is called a \_\_\_\_\_ chart?

- a) Flow
- b) Pert
- c) Gantt
- d) Activity

### Question 58

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Analysing the potential risks in a project is called \_\_\_\_\_?

- a) Risk aversion
- b) Risk evaluation
- c) Risk avoidance
- d) Risk assessment

### Question 59

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The situation whereby a number of events build into a crisis is called the \_\_\_\_\_ effect?

- a) Bullwhip
- b) Snowball
- c) Roll-up
- d) Build-up

### Question 60

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A system to ensure that an organization can return to work after a crisis is called \_\_\_\_\_?

- a) Crisis continuation planning
- b) Business delivery planning
- c) Business continuity planning
- d) Crisis avoidance planning

### Question 61

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What do the initials NPD stand for?

- a) Novel Product Design
- b) New Process Design
- c) New Product Development
- d) Novel Process Development

### Question 62

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What do the initials NSD stand for?

- a) Novel Service Design
- b) New Service Development
- c) New Series Design
- d) New Series Development

### Question 63

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The development of a novel idea is called \_\_\_\_\_?

- a) Innovation
- b) Modification
- c) Invention
- d) Improvement



#### Question 64

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A change which is created through a series of small improvements is called \_\_\_\_\_ innovation?

- a) Step change
- b) Disruptive
- c) Radical
- d) Incremental

#### Question 65

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A facelift for an existing brand or product is known as which type of innovation?

- a) Modification
- b) Restaging
- c) New product
- d) Invention

#### Question 66

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The four stages of a new product or new service development process are; formulate ideas, decide on whether to proceed, evaluate the outcome and \_\_\_\_\_?

- a) Screen the ideas
- b) Business analysis
- c) Test the design
- d) Launch the product

#### Question 67

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Which of these steps are **not** in the 'Test the Design' stage of the NPD or NSD process?

- a) Service design and testing
- b) Concept testing
- c) Process and system design

- d) Personnel training

### Question 68

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Which of these criteria is **not** one likely to be used for screening ideas for NPD?

- a) Level of investment needed  
 b) Ease of implementation  
 c) Demand from customers  
 d) Concept testing

### Question 69

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Which of these would require a formal approach to innovation?

- a) A product restaging  
 b) A product where a licence or patent is possible  
 c) Competitors are actively innovating  
 d) A product which is largely based on existing products

### Question 70

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Which of these would help to encourage dynamic innovation within an organization?

- a) A bureaucratic culture  
 b) Involvement of external consultants  
 c) Deregulated markets

### Question 71

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Kaizen means \_\_\_\_\_?

- a) Radical innovation  
 b) Step change innovation  
 c) Open innovation  
 d) Continuous improvement

### Question 72

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Continuous improvement is primarily concerned with which of these criteria?

- a) Cost
- b) Quality
- c) Flexibility
- d) Dependability

### Question 73

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Which of these is **not** one of the ten guiding principles of continuous improvement proposed by Robert Lowson (2002)?

- a) Operations orientation
- b) Total employee involvement
- c) Effective leadership
- d) Adaptability to change

### Question 74

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Before improvements can be made to a process there need to be clear procedures and agreed working practices established. These are normally in a written form, called \_\_\_\_\_?

- a) Continuous Improvement Procedures
- b) Process Control Procedures
- c) Standard Operating Procedures
- d) Quality Improvement Procedures

### Question 75

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The improvement tool whereby a list of the most common faults in the process is analysed and then arranged in order of highest occurrence first is called \_\_\_\_\_?

- a) Brainstorming
- b) Pareto analysis
- c) Balanced Scorecard
- d) Quality circle

### Question 76

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The improvement technique where a number of ideas are put forward before deciding on a final idea is called \_\_\_\_\_?

- a) Brainstorming
- b) Pareto analysis
- c) Balanced Scorecard
- d) Quality circle

### Question 77

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Which of the following is **not** a reason which may prevent the successful adoption of a continuous improvement programme?

- a) Lack of trust by employees in management motives
- b) No clear purpose for the programme
- c) Incentives scheme linked to the programme
- d) Resistance to change

### Question 78

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Comparing a firm's performance measurement against major competitors is known as \_\_\_\_\_?

- a) Brainstorming
- b) Benchmarking
- c) Balanced Scorecard

d) Quality circle

#### Question 79

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A technique devised by Kaplan and Norton (1992) to measure performance across four different operating areas is known as \_\_\_\_\_?

- a) Brainstorming
- b) Benchmarking
- c) Balanced Scorecard
- d) Quality circle

#### Question 80

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A technique for getting ideas for innovation and improvement from other sources outside of an organization, is called \_\_\_\_\_?

- a) Balanced Scorecard
- b) Brainstorming
- c) Benchmarking
- d) Open Innovation

#### Question 81

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In a materials processing operation the design capacity is defined as \_\_\_\_\_?

- a) the minimum output per given time.
- b) the aggregate annual output.
- c) the theoretical maximum output in a given time.
- d) the most likely output in a given time.

#### Question 82

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In a materials processing operation, the effective capacity of a machine is defined as \_\_\_\_\_?

- a) the minimum output per given time.
- b) the aggregate annual output.
- c) the theoretical maximum output in a given time.

- d)** the most likely output in a given time.

### Question 83

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Machine utilization can be calculated by dividing \_\_\_\_\_ by \_\_\_\_\_.

- a)** Effective capacity by Design capacity  
 **b)** Achieved capacity by Design capacity  
 **c)** Achieved capacity by Effective capacity  
 **d)** Design capacity by Achieved capacity

### Question 84

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Machine efficiency is calculated by dividing \_\_\_\_\_ by \_\_\_\_\_.

- a)** Effective capacity by Design capacity  
 **b)** Achieved capacity by Design capacity  
 **c)** Achieved capacity by Effective capacity  
 **d)** Design capacity by Achieved capacity

### Question 85

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What additional factor does Overall Equipment Effectiveness take into account which makes it more meaningful than efficiency or utilization?

- a)** Flexibility  
 **b)** Speed  
 **c)** Cost  
 **d)** Quality

### Question 86

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Which of the following is **not** a factor which makes managing capacity in a customer processing operation (CPO) very challenging?

- a)** Most CPO's are in a fixed locatio.  
 **b)** Most CPO's produce services which are consumed at the same time as they are produced.

- c) Most CPO's have a constant demand.
- d) The infrastructure of most CPO's is fixed.

### Question 87

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The two main approaches to forecasting are \_\_\_\_\_ and \_\_\_\_\_

- a) Qualitative and Quantitative
- b) Historical and Quantitative
- c) Judgemental and Historical
- d) Qualitative and Judgemental

### Question 88

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Adjusting inputs to an operation so that outputs match demand is known as \_\_\_\_\_?

- a) A level capacity strategy
- b) A demand management strategy
- c) A chase demand strategy
- d) A yield management strategy

### Question 89

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Having a 'happy hour' in a pub or restaurant is an example of which type of capacity management?

- a) A level capacity strategy
- b) A demand management strategy
- c) A chase demand strategy
- d) A yield management strategy

### Question 90

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Revenue management is a technique often used by hotels and airlines to manage demand. It is also known as \_\_\_\_\_?

- a) Level capacity

- b) Demand management
- c) Chase demand
- d) Yield management

### Question 91

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The \_\_\_\_\_ process commences at corporate level. Here the organization sets out its overall mission, purpose, and values.

- a) researching
- b) strategic planning
- c) controlling
- d) managing

### Question 92

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A statement about what an organization wants to become, which sets out an organization's future, is referred to as:

- a) mission.
- b) values.
- c) organisational goals.
- d) vision.

### Question 93

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A statement that sets out what the organization wishes to achieve in the long term is referred to as:

- a) mission.
- b) vision.
- c) values.
- d) strategic context.

### Question 94

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Organizational values are important because they:

- a) help shape mission statements.
- b) help increase sales.



- c) help guide behaviour and the recruitment and selection decisions.
- d) help define market research.

### Question 95

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Large organizations create \_\_\_\_\_, which assume the role of a separate company and create their own strategies and plans in order to achieve their corporate goals and contribution to the overall organization.

- a) marketing objectives
- b) strategic business units
- c) marketing activities
- d) business development units

### Question 96

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The Strategic Marketing Planning process consists of a series of logical steps and these steps can be aggregated into four phases. Which of the following is **not** included in the phases of the strategic marketing planning?

- a) Defining marketing strategy.
- b) Setting the right mission and corporate goals.
- c) Reviewing the current situation.
- d) Formulating strategy.

### Question 97

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SWOT is an acronym for:

- a) strategy, working, opinion, tactical.
- b) strengths, weaknesses, opportunities, threats.
- c) strategy, work, openness, toughness.
- d) strategy, weakness, opinions, tactics.

### Question 98

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In SWOT analysis, situations where organizations are able to convert weaknesses into strengths and threats into opportunities, are called:

- a) strategic windows.
- b) strategic leverage.

c) conversion strategies.

d) Vulnerability.

**Question 99**

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This is something that at some time in the future may destabilize and/or reduce the potential performance of the organization.

a) Threat.

b) Strength.

c) Weakness.

d) Opportunities.

**Question 100**

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\_\_\_\_\_ is the process that helps managers understand the nature of the industry, the way firms behave competitively within the industry, and how competition is generally undertaken.

a) Market needs analysis

b) Portfolio analysis

c) Strategic market analysis

d) Organizational analysis