

**UNIVERSITY OF BOLTON**  
**BOLTON BUSINESS SCHOOL**  
**BA (HONS) BUSINESS ADMINISTRATION BY**  
**DISTANCE LEARNING**  
**KUALA LUMPUR INTAKE 23**  
**SEMESTER 2 EXAMINATIONS 2008/2009**  
**STRATEGIC OPERATIONS MANAGEMENT**  
**MODULE NO: BST3010DL**

Date: 13<sup>th</sup> June 2009

Time: 3 hours

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**INSTRUCTIONS TO CANDIDATES:**

There are SIX questions on this paper, divided into TWO sections.

Answer FOUR questions –  
ANY TWO from Section A, and  
ANY TWO from Section B.

All questions carry equal marks.

This is an “open book” examination, no textbooks or study guides may be used.

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**SECTION A – Answer ANY TWO questions**

**Question A1**

- (a) Define the most significant concept of Supply Chain Management and critically evaluate the strategic advantages of Supply Chain Management. **(10 marks)**
- (b) Critically identify and explain challenges that Operations Managers would face in the E-Supply Chain and Global Supply Chain. Quote appropriate cases or companies to support your arguments. **(15 marks)**

**TOTAL 25 MARKS**

**Question A2**

- (a) Critically describe and appraise the following three business strategies:  
• First-to-Market strategy  
• Second-to-Market strategy  
• Cost Minimisation or Late-to-Market strategy **(10 marks)**
- (b) For each strategy above, give one example to describe its strategic applications. **(15 marks)**

**TOTAL 25 MARKS**

**Section A continued over  
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**Section A continued**

**Question A3**

- (a) Identify and critically appraise strategies for capacity alternatives and demand managing in both manufacturing and services. **(15 marks)**
- (b) Using appropriate cases or companies explain and evaluate how to implement the capacity alternatives and demanding managing to achieve a successful outcome to support a competitive operations strategy. **(10 marks)**

**TOTAL 25 MARKS**

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**SECTION B – answer ANY TWO questions**

**Question B4**

- (a) Critically appraise the key issues for effective inventory management.

**(5 marks)**

- (b) AutoBolt is a manufacturing company. The operations manager hopes to achieve a better inventory control by adopting an A-B-C approach. Table QB4 provides the information on the annual usages and unit costs. Develop an A-B-C classification for these items.

**(10 marks)**

Table QB4

<b>Part</b>	<b>Unit cost (£)</b>	<b>Annual Usage</b>
<b>1</b>	<b>5</b>	<b>400</b>
<b>2</b>	<b>12</b>	<b>20</b>
<b>3</b>	<b>100</b>	<b>60</b>
<b>4</b>	<b>86</b>	<b>200</b>
<b>5</b>	<b>10</b>	<b>135</b>
<b>6</b>	<b>20</b>	<b>120</b>
<b>7</b>	<b>15</b>	<b>200</b>
<b>8</b>	<b>18</b>	<b>110</b>
<b>9</b>	<b>208</b>	<b>75</b>
<b>10</b>	<b>24</b>	<b>500</b>

**Question B4 continued over  
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**Question B4 continued**

- (c) If the AutoBolt company purchases 6,000 parts a year. Parts are priced as follows: 1 to 999, £6.00 each; 1000 to 2999, £5.50 each; 3,000 or more, £5.20 each. It costs approximately £100 to prepare an order and receive it, and carrying costs are £0.8 per part a year. Determine
- (i) the common optimal order quantity EOQ (without considering of the Quantity Discounts)  

**(3 marks)**
  - (ii) the optimal order quantity EOQ with considering of the Quantity Discounts  

**(7 marks)**

**TOTAL 25 MARKS**

**Question B5**

- (a) Critically discuss and evaluate the relationship between the quality management and the productivity in the production and/or service organizations.  

**(10 marks)**
- (b) A company makes components for car manufacturing planned to invest an automation operation system to replace the manual operations. Currently, the company used 5 workers, who produced an average of 1000 parts per day. Labour cost is £10 per hour and automation system cost is £100 per hour. With the automation system, it is possible to transfer 3 workers to other departments, and output will be increased to 4000 parts per day. The initial investment of the automation system is £20,000, and the company planned to payback the investment within 2 years. Assume 8 hours per day and 250 days per year.

**Question B5(b) continued over  
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**Question B5(b) continued**

- (i) Compute and comment labour productivity under manual and automation systems. Use parts per worker per hour as the measure of labour productivity.

**(3 marks)**

- (ii) Calculate and comment the multifactor productivity under manual and automation systems. Use parts per pound cost as the measure.

**(5 marks)**

- (iii) Comment on the investment in productivity according to the manual and automation systems, and on which one you will recommend for the company.

**(7 marks)**

**TOTAL 25 MARKS**

**Question B6**

- (a) Define the major roles of a project manager and critically compare and contrast these roles to an operations manager involved routine and repetitive activities.

**(10 marks)**

- (b) LeGou supermarket is planning to establish a new store in Bolton. Table QB6 shows the project activity information, which consists of eight activities, immediate predecessors and duration (days) required for each activity.

**Question B6 (b) continued over  
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**Question B6 (b) continued**

**Table QB6 A Project Activity List**

Activity	Description	Duration (Days)	Immediate Predecessors
A	Design of the layouts	3	-
B	Locate new facilities	5	A
C	Order goods	7	B
D	Marketing promotion	14	-
E	Interview prospective staff	4	D
F	Training staff	10	E
G	Display goods	6	C, F
H	Open	2	G

- (i) Construct a precedence diagram that incorporates all of these activities.

**(2 marks)**

- (ii) Determine the earliest start, earliest finish, latest start, and latest finish times for each activity, based on a desired completion date as early as possible.

**(10 marks)**

- (iii) Determine the critical path and the expected duration time.

**(3 marks)**

**TOTAL 25 MARKS**

**END OF QUESTIONS**