

UNIVERSITY OF BOLTON

BOLTON BUSINESS SCHOOL

**BA (HONS) BUSINESS ADMINISTRATION BY
DISTANCE LEARNING**

VIETNAM INTAKE 3

SEMESTER 2 EXAMINATIONS 2008/2009

STRATEGIC OPERATIONS MANAGEMENT

MODULE NO: BST3010DL

Date: 13th June 2009

Time: 3 hours

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.

Bolton Business School
BA (Hons) Business Administration by Distance Learning
Vietnam Intake 3
Semester 2 Examinations 2008/2009
Strategic Operations Management
Module No. BST3010DL

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
PLEASE TURN THE PAGE...**

Bolton Business School
BA (Hons) Business Administration by Distance Learning
Vietnam Intake 3
Semester 2 Examinations 2008/2009
Strategic Operations Management
Module No. BST3010DL

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

PLEASE TURN THE PAGE...

Bolton Business School
BA (Hons) Business Administration by Distance Learning
Vietnam Intake 3
Semester 2 Examinations 2008/2009
Strategic Operations Management
Module No. BST3010DL

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

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

**Question B4 continued over
PLEASE TURN THE PAGE...**

Bolton Business School
BA (Hons) Business Administration by Distance Learning
Vietnam Intake 3
Semester 2 Examinations 2008/2009
Strategic Operations Management
Module No. BST3010DL

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
PLEASE TURN THE PAGE...**

Bolton Business School
BA (Hons) Business Administration by Distance Learning
Vietnam Intake 3
Semester 2 Examinations 2008/2009
Strategic Operations Management
Module No. BST3010DL

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
PLEASE TURN THE PAGE...**

Bolton Business School
 BA (Hons) Business Administration by Distance Learning
 Vietnam Intake 3
 Semester 2 Examinations 2008/2009
 Strategic Operations Management
 Module No. BST3010DL

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