



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2016/2017

**FOURTH YEAR FIRST SEMESTER EXAMINATIONS FOR THE
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION
WITH INFORMATION TECHNOLOGY**

MAIN CAMPUS

ABA 441: OPERATIONS MANAGEMENT

Date: 3rd December, 2016

Time: 12.00 -3.00 pm

INSTRUCTIONS:

- Answer question ONE and any other TWO questions.



Sheena hired two part-time workers to assist her and, even then, she believed she could expand further if she wanted to.

Required

(i) Describe in what ways Sheena's customers are most likely to judge the quality of her lawn care services [3 Marks]

(ii) Sheena is the operations manager of her business. Among her responsibilities are forecasting, inventory management, scheduling, quality assurance, and maintenance.

(a) Identify the kinds of things that would likely require forecasts [3 Marks]

(b) State the inventory items Sheena probably has [3 Marks]

(c) Explain one inventory decision she has to make periodically. [3 Marks]

(d) Describe what scheduling she must do and what things might occur to disrupt schedules and cause Sheena to reschedule [4 Marks]

(e) Examine how important quality assurance is to Sheena's business. [4 Marks]

(iii) Identify some of the trade-offs that Sheena probably considered relative to:

(a) Working for a company instead of for herself [5 Marks]

(b) Expanding the business [5 Marks]

QUESTION TWO

(a) Explain the terms:

i. Operations Management [3 Marks]

ii. Transformation System [3 Marks]

(b) Outline the basic characteristics of Management [6 Marks]

(c) Evaluate how Operations Management contributes to an organization's competitive position [8 Marks]

QUESTION THREE

- (a) Identify the characteristics of strategic decisions in Operations Management. [4 Marks]
- (b) Demonstrate how the Operations Strategy helps the process of an organization's Strategic Planning [4 Marks]
- (c) You are the local business analyst for a branch of a foreign company operating a subsidiary in Kenya showing the following results: *(Clearly show all your workings)*

	Parent Country	Kenya
Sales (units)	100,000	20,000
Labour (hours)	20,000	15,000
Raw materials	\$20,000	Sh.20,000
Capital equipment (hours)	60,000	5,000

- (i) Compare the results for the partial labour productivity measures for the parent and subsidiary companies [4 Marks]
- (ii) Compute the multifactor productivity measure for labour and capital [4 Marks]
- (iii) Determine the raw materials productivity measure, and explain why the figures might be greater in the subsidiary company *(Assume \$1 = Sh.100)* [4 Marks]

QUESTION FOUR

- (a) Explain the concept of 'Mass Customization', and identify its advantages and disadvantages [6 Marks]
- (b) Explain the term 'capacity' in the context of a business organization [5 Marks]
- (c) Discuss three types of capacity [9 Marks]

QUESTION FIVE

Discuss the following issues in Operations Management

- (i) Product Development Process [5 Marks]
- (ii) Process Analysis [5 Marks]
- (iii) Six-Sigma Quality [5 Marks]
- (iv) Facility Design [5 Marks]