



"Please note that these files may not be up to date. However, the questions will help you understand the exam format and typical question patterns."

www.atmicnetworks.com

Warning: Keep connected with our support team
for latest updates

Question: 1

The question below is based on the following information:

District Warehouse	Daily Usage	On-hand Inventory
A	10	60
B	30	160
C	20	140

Which of the following distributions would be the central warehouse allocation of 120 units of inventory to district warehouses A, B, and C if the equal run-out method were used?

- A. 20 units to A, 53 units to B, 47 units to C
- B. 20 units to A, 60 units to B, 40 units to C
- C. 20 units to A, 80 units to B, 20 units to C
- D. 100 units to A, 0 units to B, 20 units to C

Answer: C

Question: 2

A warehouse has 20,000 orders per year with an average of 10 line items per order. The warehouse experiences 800 backorders per year averaging 5 line items per backorder. What level of customer service is achieved when the percentage of line items shipped on schedule is used?

- A. 96%
- B. 97%
- C. 98%
- D. 99%

Answer: C

Question: 3

Which of the following communicates in-transit inventories to a warehouse?

- A. Bill of distribution
- B. Master schedule
- C. Order acknowledgment to warehouse
- D. Distribution requirements planning

Answer: D

Question: 4

Which of the following data is an input to distribution requirements planning?

- A. Location points
- B. Shipping schedules

- C. Interplant demand
- D. Order value

Answer: C

Question: 5

Which of the following issues is most likely to lead to the use of a short-term, rather than long-term, forecasting process?

- A. How to respond to a competitor's test marketing of a new product
- B. How to configure the supply chain to support a new market segment
- C. Whether to outsource a capital-intensive subassembly process
- D. Whether to take a price-leadership or a product-differentiation posture

Answer: A

Question: 6

Which of the following factors has the greatest effect on the length of the forecast horizon?

- A. Cumulative product lead time
- B. Purpose of the forecast
- C. Frequency of forecast revision
- D. Size of forecast period

Answer: B

Question: 7

Which of the following statements about both econometric models and market research is true?

- A. They are examples of intrinsic forecasting techniques.
- B. They are useful in forecasting at the stockkeeping unit level.
- C. They are useful in aggregate planning.
- D. They can be used in place of adaptive smoothing.

Answer: C

Question: 8

When quantitative data are being evaluated, a very small bias in a forecast can best be explained by which of the following statements?

- A. Positive forecast errors approximately offset negative forecast errors.
- B. The absolute values of all forecast errors were approximately equal.
- C. The variability of forecast data was skewed.

D. A very small alpha factor was used.

Answer: A

Question: 9

The forecast tracking signal is the ratio of the:

- A. forecast to the MAD.
- B. cumulative error to the MAD.
- C. cumulative error to the forecast.
- D. standard deviation to the MAD.

Answer: B

Question: 10

A demand filter can best be used for which of the following purposes?

- A. To remove scrap loss from a work center history
- B. To adjust the alpha factor
- C. To flag a large order
- D. To remove seasonal variability from forecast data

Answer: C

Question: 11

Elements calculated in the master scheduling process include:

- A. service-parts forecast.
- B. available-to-promise.
- C. time fences.
- D. allocations.

Answer: B

Question: 12

Available-to-promise data facilitates the process of:

- A. inventory planning.
- B. capacity planning.
- C. forecasting.
- D. order entry.

Answer: D

Question: 13

A bill of resources typically contains information about a product's:

- A. inventory balances.
- B. key work centers.
- C. production schedule.
- D. complete list of components.

Answer: B

Question: 14

Which of the following actions is best for a company to take when a 2-week plant shutdown for retooling is planned for the next year?

- A. Increase planned production.
- B. Increase material requirements planning safety-stock levels.
- C. Decrease the planned sales level during the shutdown.
- D. Alter the strategic plan.

Answer: A

Question: 15

The most effective way to cope with uncertainty of demand and to improve customer service is to reduce:

- A. lead times.
- B. backlogs.
- C. safety stock.
- D. product options.

Answer: A

Question: 16

Which of the following tools is used to accommodate forecast errors when developing the master production schedule?

- A. Safety stock
 - B. Planning time fence
 - C. Firm planned orders
 - D. Available-to-promise
-

Answer: A

Question: 17

In an assemble-to-order environment, which of the following factors is most significant in determining which items should be master scheduled?

- A. Length of the master schedule horizon
- B. Number of levels in the bill of material
- C. Number of product options
- D. Size of the forecast error

Answer: C

Question: 18

Rough-cut capacity planning is best used to:

- A. assess the load on a work center.
- B. evaluate the master production schedule.
- C. establish order priorities.
- D. determine labor requirements.

Answer: B

Question: 19

The question below is based on the following information:

In a repetitive manufacturing environment where a level production rate must be maintained, the following customer backlog must be satisfied with NO late shipments:

Week	Customer Backlog Quantity
1	78
2	68
3	90
4	58
5	56

Which of the following weekly production rates best supports these criteria?

- A. 70
- B. 78
- C. 80
- D. 90

Answer: C

Question: 20

Translation of a master production schedule directly into key resources results in a:

- A. production schedule.
- B. final assembly schedule.
- C. rough-cut capacity plan.
- D. bill of labor.

Answer: C

Question: 21

Which of the following statements is true about items that appear on a final assembly schedule?

- A. They do not appear on a shipment schedule.
- B. They are stated in terms of end items or customer orders.
- C. They are released without regard for component availability.
- D. They are used as input to the production plan.

Answer: B

Question: 22

In a capacity-constrained situation, which of the following actions is best to take if marketing wants to increase production of a master schedule item?

- A. Increase production of the item, but do not make any other changes.
- B. Increase production of the item, and decrease production of another item.
- C. Increase production of the item, and change the production plan.
- D. If the item is within the demand time fence, let the computer make the change automatically.

Answer: B

Question: 23

If the master production schedule is overstated, which of the following short-term actions is most appropriate?

- A. The demand time fence should be moved out.
 - B. Lot sizes should be decreased.
 - C. Safety stocks should be decreased.
 - D. Firm planned orders should be rescheduled.
-

Answer: D

Question: 24

In an assemble-to-order environment, which of the following indicators is most appropriate for measuring the effectiveness of the master scheduling process?

- A. Customer order fill rate
- B. Number of stockouts
- C. Capacity utilization
- D. Aggregate inventory

Answer: A

Question: 25

Production is being planned to emphasize the utilization of a critical and very expensive piece of capital equipment. Which of the following production planning strategies should be used?

- A. Chase
- B. Level
- C. Cost-based
- D. Combination

Answer: B

Question: 26

Sales and operations planning in a make-to-stock environment is concerned with projecting:

- A. item forecasts.
- B. inventory.
- C. backlog.
- D. bookings.

Answer: B

Question: 27

Which of the following forecasting methods is most appropriate for projecting demand for a product family?

- A. Single exponential smoothing
 - B. Simple average
 - C. Focus
 - D. Pyramid
-

Answer: D

Question: 28

The greatest risk of aggregating product families at too high of a level for sales and operations planning is that:

- A. it will be more difficult to reconcile the sales plans with the business plan.
- B. imbalances between the demand plan and resources may not be visible.
- C. the resource planning process will be more complicated.
- D. the sales forecasts will not be as accurate for the larger product families.

Answer: B

Question: 29

In a make-to-order environment, if cumulative production exceeds cumulative demand, which of the following outcomes will result?

- A. Excess capacity will exist.
- B. Inventory will increase.
- C. The backlog will increase.
- D. The backlog will decrease.

Answer: D

Question: 30

Which of the following inputs to the demand planning phase of sales and operations planning typically is most important for a product line that is made to customer order?

- A. An analysis of past forecast errors
- B. Information about planned pricing actions
- C. Sales force input about customer plans
- D. Statistical information about historical sales

Answer: C

Question: 31

A firm uses the level production planning approach to produce a product family to stock. Senior management has requested that the finished-goods inventory for the product family be reduced by 18% over the sales and operations planning horizon. Which of the following statements best describes the relationship between total demand and total production required for the product family over the planning horizon?

- A. Total production required and demand will be equal.
 - B. Total production required will be less than total demand.
 - C. Total production required will be greater than total demand.
-

D. There is not sufficient data to determine the relationship.

Answer: B

Question: 32

Which of the following processes typically is linked directly to the customer-order processing component of demand management for a firm that finishes and packages goods to customer order?

- A. Master scheduling
- B. Detailed material planning
- C. Business planning
- D. Resource planning

Answer: A

Question: 33

Which of the following types of activities links the marketplace, sister plants, warehouses, and distribution channels?

- A. Forecast management
- B. Resource management
- C. Demand management
- D. Sales management

Answer: C

Question: 34

A company is transitioning from a make-to-stock production environment to a finish-to-order production environment. Which of the following outcomes is most likely to occur as a result of the transition?

- A. Inventory levels will be increased.
- B. Less training will be required in the distribution centers.
- C. Planning or phantom bills of material will be created.
- D. Forecasts will become more detailed.

Answer: C

Question: 35

The production plan relates to a firm's financial planning because it is used to:

- A. calculate standard product costs.
- B. determine variable costs.
- C. project payroll costs.

D. identify future cash needs.

Answer: D

Question: 36

The resource profile approach to rough-cut capacity planning is desirable in the manufacture of parts with lengthy lead times because the approach:

- A. uses detailed data about time standards for each product at the key resources.
- B. assumes that all components are built in the same period as the end item.
- C. considers the historical portion of the total plant time required.
- D. time phases labor requirements.

Answer: D

Question: 37

An outcome of top management's participation in sales and operations planning involves the:

- A. delegation of trade-off resolutions to middle management.
- B. investigation of detailed trade-offs by top management.
- C. definition of trade-offs by top management.
- D. resolution of broad trade-offs by top management.

Answer: D

Question: 38

Which of the following groups receives the LEAST benefit from extending the demand planning time fence in the master schedule?

- A. Manufacturing
- B. Shipping
- C. Customers
- D. Production scheduling

Answer: C

Question: 39

The primary purpose of a pre-sales and operations planning meeting between representatives from different business functions is to:

- A. reconcile differences in recommendations.

-
- B. discuss changes in demand for end items.
 - C. prepare recommendations for the demand planning phase.
 - D. prepare recommendations for the supply planning phase.

Answer: A

Question: 40

Which of the following outcomes indicates the effectiveness of a master schedule?

- A. Customer service performance measures are reviewed regularly.
- B. The number of product families is in the range of 5 to 15.
- C. The master schedule meets the target level of responsiveness.
- D. Finance and accounting participate in the development of the master schedule.

Answer: C

Question: 41

Identification of performance problems in providing a high line-item service ratio provides an opportunity to:

- A. address imbalances in the customer order mix.
- B. improve order-promising information.
- C. redesign sales and marketing incentives.
- D. reduce customer-demanded delivery time.

Answer: B

Question: 42

Which of the following inputs is important to forecasts used in the sales and operations planning process?

- A. Capacity constraints
- B. Customer plans
- C. Inventory levels
- D. Sales quotas

Answer: B

Question: 43

Which of the following activities would enhance a customer relationship management program?

- A. Using an exponential smoothing forecast
 - B. Collecting point-of-sale data
 - C. Implementing an enterprise resources planning system
-

D. Moving from a make-to-order strategy to a make-to-stock strategy

Answer: B

Question: 44

Since introducing distribution requirements planning, management at a company has had increased complaints from staff at satellite warehouses that the variances of local demand are being ignored, and they often are unable to meet demand. An effective response from management would be to:

- A. allow adjustments to the forecast based on input relating to local sales activity.
- B. permit last-minute changes to the production schedule.
- C. increase safety stock at the central warehouse of items that are repeatedly out of stock.
- D. implement an ABC inventory management strategy.

Answer: A

Question: 45

Which of the following objectives is a critical performance measurement in distribution network logistics?

- A. Increasing the service level
- B. Increasing cash-to-cash cycle time
- C. Increasing inventory days of supply
- D. Decreasing inventory turnover

Answer: A

Question: 46

In a make-to-stock environment, which of the following factors is a key determinant of inventory levels necessary to support customer demand?

- A. Capable-to-promise
- B. Available-to-promise
- C. Service costs
- D. Service level

Answer: D

Question: 47

A single-level, centralized distribution network would be most appropriate for a firm whose products are:

- A. small, inexpensive, and distributed throughout the world.
- B. heavy, inexpensive, and with a short required delivery time.
- C. large, expensive, and with a high level of demand.

D. large, and with a long required delivery time.

Answer: D

Question: 48

The question below is based on the distribution center requirements shown below:

	Parameter	Past Due	Period					
Product X			1	2	3	4	5	6
LT: 2 periods	Forecast		40	10	30	60	50	80
Lot size: 20	In transit		0	0	0	0	0	0
	Projected available balance	50	30	20	30	30		
SS: 20	Planned receipts		20	0	40	60		
	Planned orders		40	60				

How many units of product X should be planned to satisfy the demand for period 6?

- A. 100
- B. 80
- C. 60
- D. 40

Answer: B

Question: 49

Which of the following costs is most likely to decrease when the number of warehouses in a distribution network increases?

- A. Inventory costs
- B. Packaging costs
- C. Transportation costs
- D. Handling costs

Answer: C

Question: 50

Which of the following criteria is used to determine safety stock in a distribution center?

- A. Economic order quantity
- B. Seasonal index value
- C. Alpha factor level
- D. Probability of stocking out

Answer: D

Question: 51

Which of the following items is required for making realistic customer promises?

- A. Feasible master schedules
- B. Procedures for managing abnormal demand
- C. Finished-goods safety stock
- D. A sales and operations planning process

Answer: A

Question: 52

A firm manufactures four product families in a single facility using one production line for each product family. It has selected the hybrid approach to production planning and has specified that

there will be no more than four changes in production rates per production line in a year. Resource planning will have to be performed for:

- A. each item when there is a change in the production rate for the family.
- B. each production line for each month in the production planning horizon.
- C. each product family and production line weekly.
- D. each product family when there is a change in the production rate for the family.

Answer: D

Question: 53

Which of the following considerations is most important when selecting forecasting software?

- A. Cost of data storage
- B. Ability to forecast over multiple planning horizons
- C. Ability to forecast capacity requirements
- D. Computational speed

Answer: B

Question: 54

During which of the following process steps of sales and operations planning would resource planning be carried out?

- A. Demand planning phase
 - B. Supply planning phase
 - C. Pre-sales and operations planning meeting
-

D. Executive sales and operations planning meeting

Answer: B

Question: 55

Which of the following functional objectives of a distribution system is most consistent with lower inventories?

- A. Low warehousing costs
- B. Low transportation costs
- C. Fast deliveries
- D. High customer service

Answer: A

Question: 56

The primary outputs of the pre-sales and operations planning (S&OP) meeting are:

- A. the recommendations and agenda for the executive S&OP meeting.
- B. a statistical forecast and field sales worksheet.
- C. a capacity-constraints analysis and second-pass spreadsheets.
- D. decisions about and authorization of the plan.

Answer: A

Question: 57

When the overall distribution requirements planning system is structured to achieve a high level of customer service, the outcome generally will be:

- A. lower inventory levels and lower total cost.
- B. higher inventory levels and higher total cost.
- C. lower inventory levels and higher total cost.
- D. higher inventory levels and lower total cost.

Answer: B

Question: 58

In which of the following environments does demand change from dependent to independent at the raw material level?

- A. Finish-to-order
 - B. Make-to-order
 - C. Assemble-to-order
 - D. Make-to-stock
-

Answer: B

Question: 59

The question below is based on the following information:

Beginning inventory 8 units

Desired ending inventory 0 units

Inventory' carrying cost \$5 unit period

Stock out cost \$25/unit"period (stock outs shipped as soon as product is available)

Period	12	3	4
Forecast	100	125	120
95			

Production

A company has chosen to execute a level production plan. What is the production rate per period?

- A. 108
- B. 110
- C. 112
- D. 125

Answer: A

Question: 60

From a management perspective, the choice of transportation mode and routing primarily will affect the:

- A. forecasted demand.
- B. safety stock level.
- C. manufacturing system.
- D. planning horizon.

Answer: B

Question: 61

Key linkages managed by distribution requirements planning within the supply chain include links to:

- A. forecasted demand and material requirements planning.
- B. logistics systems and demand management.
- C. customers only.
- D. vendors only.

The following question is based on the following information:

Item: X	Run Date: Today								
Lead Time: 0	Data Date: Today Demand								
On-hand: 10	Time Fence: 0								
	Lot Size: 20								
	Safety Stock: 3								
	Planning Time Fence: 4								

Period	1	2	3	4	5	6	7	8	9
Forecast	10	10	15	10	10	5	10	10	15
Customer orders	5	2	1						
Projected available balance									
Available-to-promise									
Master production schedule	20		20		20				

In Period 1, the quantity that would be exploded to component parts is:

- A. 05.
- B. 08.
- C. 10.
- D. 20.

Answer: D

Question: 63

The following question is based on the following information:

Item: X	Run Date: Today								
Lead Time: 0	Data Date: Today								
On-hand: 10	Demand Time Fence: 0								
	Lot Size: 20								
	Safety Stock: 3								
	Planning Time Fence: 4								

Period	1	2	3	4	5	6	7	8	9
Forecast	10	10	15	10	10	5	10	10	1
Customer orders	5	2	1						
Projected available balance									
Available-to-promise									
Master production schedule	20		20		20				

The master production schedule quantity that should be placed in Period 7 is:

- A. 00.
- B. 10.
- C. 13.
- D. 20.

Question: 64

The question below is based on the following distribution requirements plan:

Periods	1	2	3	4	5	6
Gross Requirements	20	15	18	23	26	27
Scheduled Receipts	30					
Projected Available Balance	12					
Planned Order Receipts						
Planned Order Releases						

Lead time is 1 week, lot size is 30, and safety stock is 0. Planned order releases would occur in which of the following sequences?

- A. Weeks 3, 4, 6
- B. Weeks 2, 3, 5
- C. Weeks 2, 3, 4
- D. Weeks 3, 4, 5

Answer: B

Question: 65

The question below is based on the following production environment information:

Production Volume	Product	Production Time per Product	Operations Resources	Production Variety	Lead
Facility A High	High	Long	Many	Many	
Facility B High	Low	Short	Few	Many	
Facility C Low	High	Long	Many	Few	
Facility D Low	Low	Short	Few	Few	

In which facility would product unit costs most likely be reduced through a setup reduction program?

- A. Facility A
- B. Facility B C. Facility C
- D. Facility D

Answer: C

Question: 66

Distribution requirements planning would most directly interface with:

- A. capacity requirements planning.

-
- B. master planning.
 - C. material requirements planning.
 - D. warehouse facility planning.

Answer: B

Question: 67

A Canadian-based company has a long-term contract with a US-based supplier. The Canadian company has been experiencing short shipments and variations of the supply lead time with the US supplier for a few months. Which of the following is the most appropriate action for the master production scheduler in this situation?

- A. Ask the purchasing manager to work with the supplier to improve their shipping quantity accuracy and lead time stability.
- B. Ask the purchasing manager to terminate the contract with this supplier, and look for a better supplier.
- C. Apply safety stock and safety lead time while planning the master production schedule.
- D. Apply safety lead time according to the target service level while planning the master production schedule.

Answer: D

Question: 68

Which of the following actions is part of the pre-sales and operations planning meeting?

- A. Ensuring the production plan considers all elements of demand
- B. Developing an updated financial view of the business
- C. Authorizing spending changes for production
- D. Reviewing business performance

Answer: B

Question: 69

Which of the following goals is the primary outcome of distribution requirements planning?

- A. Accurately feed the gross requirements into the master production schedule
- B. Decouple the distribution plan from the production plan
- C. Deliver products in the quantities requested by the customer
- D. Maintain an appropriate inventory level at all locations

Answer: D

Question: 70

A company wanting to maintain a high level of customer service at the lowest inventory carrying cost should place safety stock in:

-
- A. central and field warehouses.
 - B. field warehouses.
 - C. a central warehouse.
 - D. customer's facilities.

Answer: C

Question: 71

Which of the following tradeoffs should be considered to improve the performance of a distribution network?

- A. Reduce cost but improve customer service by using full truckload or carload shipments
- B. Increase inventory turns but decrease costs by shipping more frequently
- C. Improve profit but decrease inventory by not scrapping obsolete product
- D. Improve fill rate but decrease inventory turns by adding safety stock

Answer: D

Question: 72

In the master scheduling process, customer orders are the only source of demand in periods:

- A. within the item lead time.
- B. before the demand time fence.
- C. between the demand and planning time fences.
- D. beyond the planning time fence.

Answer: B

Question: 73

Which of the following actions would most likely lead to an achievable master production schedule?

- A. Minimizing changes in periods before the demand time fence
- B. Keeping safety stock for key subassemblies
- C. Limiting changes in periods after the planning time fence
- D. Committing to customer requested shipment dates

Answer: A

Question: 74

Sales has identified an opportunity to develop a new market for a product family and requested an increase in the production plan. Which of the following actions would be most appropriate in this situation?

- A. The proposed change should be presented to top management for a decision.
 - B. The production plans for other product families should be reduced.
-

-
- C. The sales and operations plan should be regenerated.
 - D. The request should be rejected.

Answer: A

Question: 75

Capacity planning occurs at what stage of the Sales and Operations Planning (S&OP) process?

- A. Demand planning phase
- B. Supply planning phase
- C. Pre- SOP meeting
- D. Executive SOP meeting

Answer: B

Question: 76

Which of the following would typically be a consideration in a distribution requirements planning (DRP) environment?

- A. Where to carry safety stock
- B. How to monitor forecast error at central warehouse
- C. Whether to use safety lead time or safety stock
- D. Whether to aggregate distribution forecasts

Answer: A

Question: 77

Which process converts the sales and operations plan into gross labor hours, floor space, and machine hours?

- A. Resource planning
- B. Rough cut capacity planning
- C. Capacity requirements planning
- D. Finite load planning

Answer: A

Question: 78

Using a trial and error approach is most effective in which of the following production planning strategies?

- A. Level
 - B. Constant
 - C. Chase
-

D. Mixed

Answer: D

Question: 79

The primary task of demand management in an assemble-to-order environment is to define the:

- A. customer's order in terms of specific components and options.
- B. raw materials required to complete the customer's order.
- C. availability of inventory to meet the customer's order.
- D. customer's order in terms of product families.

Answer: A

Question: 80

Which of the following effects is likely to occur in a successful Collaborative Planning Forecasting and Replenishment implementation?

- A. Increased inventory turns
- B. Increased gross revenue
- C. Increased cycle time to market
- D. Increased cost of components

Answer: A

Question: 81

A tailor shop is shifting its main business from assemble-to-order to make-to-order. The customer order decoupling point will shift:

- A. from raw material to WIP.
- B. from WIP to raw material.
- C. from finished goods to WIP.
- D. from WIP to suppliers.

Answer: B

Question: 82

The most appropriate approach for developing forecasts for strategic business planning is:

- A. customer inputs.
 - B. quantitative statistical methods.
 - C. economic growth models.
-

D. casual analysis.

Answer: C

Question: 83

The question below is based on the following information:

Period	Actual	Forecast	Error
1	9	11	-2
2	11	8	3
3	12	8	4
4	8	9	-1
5	3	8	-5

The mean absolute deviation for the above forecast is:

- A. -1.
- B. 1.
- C. 3.
- D. 5.

Answer: C

Question: 84

A company manufactures at several plants around the world and uses a multi-echelon distribution network. Customer service levels in this situation would be highest when safety stock is stored at the:

- A. central and field warehouses.
- B. factories and field warehouses.
- C. central warehouse.
- D. factories.

Answer: A

Question: 85

If actual production for an item is less than the master production schedule due to material shortages, the first step in resolving the problem should be to:

- A. reschedule the past due orders.
- B. move in the time fence.
- C. revise the rough-cut capacity plan.
- D. overstate the production plan.

Answer: A

Question: 86

Which of the following criteria is the most meaningful measure when evaluating the effectiveness of distribution systems in fulfilling customer needs?

- A. Order-fill rate
- B. Cash-to-cash cycle time
- C. Performance to budget
- D. The level of inventory

Answer: A

Question: 87

Which of the following considerations is valid when selecting a mode of transportation?

- A. Financial viability of the supplier
- B. Transit time consistency
- C. Ownership of equipment
- D. Age of equipment

Answer: B

Question: 88

Jupiter Company produces 3,000 cars per month. It offers five different models with over 1,000 different model/option/color packages. Jupiter has established a collaborative relationship and electronic link with its supplier of door trim. Suppliers are given 5 days' notice of requirements and are expected to deliver directly to the final assembly area in the actual sequence in which each specific car is to be assembled.

Jupiter needs which of the following pieces of information from its supplier of door trim?

- A. Production plan
- B. Sales plan
- C. Availability of resources
- D. Bills of material

Answer: C

Question: 89

Which of the following is an advantage of the focus forecasting technique?

- A. It combines top-down and bottom-up forecasts.
 - B. It uses qualitative forecasting methods.
 - C. It evaluates multiple forecasting methods.
-

D. It gathers information from pools of experts.

Answer: C

Question: 90

Which of the following is typically an output of the master scheduling process?

- A. Sales forecasts
- B. Resource requirements plans
- C. Interplant demands
- D. Projected available balances

Answer: D

Question: 91

Which of the following factors should be considered when evaluating a master production schedule change?

- A. Capacity requirements plan
- B. Critical ratio of planned orders
- C. Load for key work centers
- D. Bill of material accuracy

Answer: C

Question: 92

Sales and Operation Planning's (S&OP) primary objective is:

- A. to align operations with the business plan.
- B. to create a long-term strategy.
- C. to reduce the forecast variance.
- D. to finalize the demand plan.

Answer: A

Question: 93

A forecasting method that responds slowly to changes in demand would be most appropriate when the historical demand pattern shows a major:

- A. seasonal component.
 - B. random component.
 - C. trend component.
 - D. cyclical component.
-

Answer: B

Question: 94

Which of the following techniques typically uses the bills of material for master schedule items in determining the capacity required?

- A. Advanced production scheduling (APS)
- B. Bill of resources
- C. Finite forward scheduling
- D. Critical path method (CPM)

Answer: A

Question: 95

The primary objective of distribution network design is to balance total distribution cost with which of the following factors?

- A. Forecasted demand
- B. Manufacturing capacity
- C. Product availability
- D. Product costs

Answer: C

Question: 96

An intensive distribution channel strategy would be most appropriate for which of the following types of product?

- A. Special tools
- B. Capital equipment
- C. Designer clothing
- D. Carbonated beverages

Answer: D

Question: 97

A large general hospital considers implementing a Sales and Operations Planning (S&OP) process to improve utilization of its surgical resources. The S&OP process:

- A. should focus on emergency treatments.
 - B. should focus on planned treatments.
 - C. does not apply to this environment.
-

D. should consider the total of all treatments.

Answer: D

Question: 98

Which of the following factors typically has the largest effect on the schedule developed by an advanced production scheduling (APS) system?

- A. Amount of past due work
- B. Performance measures used
- C. Precision of the capacity data
- D. Priorities of the master schedule items

Answer: D

Question: 99

A chemical plant refines crude oil from a nearby oil field into a few bulk chemicals that are stored onsite. The master planning of resources processes in this situation would most appropriately focus on:

- A. forecasting bulk chemical demand.
- B. determining crude supply and capacity required.
- C. determining the most effective use of capacity.
- D. maximizing the output of the plant.

Answer: C

Question: 100

A company has an effective sales and operations planning (S&OP) process with monthly plans over a 24 month horizon. The sales and marketing functions have requested that a new product introduction be moved from the tenth month to the sixth month of the current plans which would require a 10% increase in production for months six through nine.

Which of the following actions would be the most appropriate next step in response to the request?

- A. Reject the request to move the new product release in.
 - B. Request reduction in other demand plans to offset the request.
 - C. Incorporate the request into the current plan
 - D. Refer the request to the Executive S&OP meeting.
-

Answer: B

Question: 101

A key benefit of an effective sales and operations planning (S&OP) process is that it provides a:

- A. direct and consistent dialogue between operations and senior management.
- B. means to evaluate the feasibility of business plans.
- C. procedure for defining product family priorities.
- D. statement of production required to meet unconstrained demand.

Answer: A

Question: 102

The master planning processes in a high volume manufacturing company with a narrow product mix would most appropriately focus on which of the following factors?

- A. Determining production flow rates
- B. Determining raw material requirements
- C. Forecasting end item demands
- D. Managing process stages

Answer: A

Question: 103

An effective implementation of the sales and operations planning (S&OP) processes would typically result in the firm's ability to:

- A. increase its market share.
- B. position products in the marketplace.
- C. reduce budget variances.
- D. respond to new opportunities.

Answer: D

Question: 104

Which of the following basic strategies would be most appropriate to develop a production plan for a restaurant?

- A. Chase
- B. Production leveling

-
- C. Subcontracting
 - D. Hybrid

Answer: D

Question: 105

Which of the following actions is most effective when planning production of menu items in a restaurant environment?

- A. Maintain usage history of ingredient items.
- B. Estimate future guest counts and item sales.
- C. Make today's schedule the same as yesterday's sales.
- D. Base the plan on the current ingredients inventory level.

Answer: B