



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF GOVERNANCE AND MANAGEMENT SCIENCES

COURSE CODE: BPQ712S	COURSE NAME: BUSINESS PROCESS & QUALITY MANAGEMENT
SESSION: NOVEMBER 2022	PAPER: THEORY
DURATION: 3 Hours	MARKS: 100

FIRST OPPORTUNITY EXAM PAPER	
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INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions on the answer paper provided.2. Write clearly and neatly.3. Number the answers according to the number system used in this question paper.4. Calculator is allowed, so long as it's not programmed.

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

SECTION 1 (40 Marks)

MULTIPLE CHOICE (20 Marks)

1. Which of the following is not a key activity of an operations manager?
 - a. Understanding the needs of customer
 - b. Continually learning
 - c. Managing cash flows
 - d. Exploiting technology to design goods and services

2. Which one of the following best represents a pure service?
 - a. Bank loans
 - b. Computer diagnosis and repair
 - c. Attending a play
 - d. Fast food restaurant

3. Which one of the following best represents a pure good?
 - a. Salt
 - b. Fast food
 - c. Attending a play
 - d. Automobile repair

4. Which of the following is not true regarding the differences between goods and services?
 - a. Demand for services is easier to forecast
 - b. Customers participate in many services
 - c. Services cannot be stored as physical inventory
 - d. Patents do not protect services

5. Regarding service encounters, which is not true?
 - a. May involve more than one moment of truth
 - b. Should be avoided
 - c. May involve a company store or building
 - d. Involves customer perceptions

6. In time sequence, which of the following needs to be accomplished first?
 - a. Understand customer wants and needs
 - b. Design and deliver customer benefit package
 - c. Build and leverage operational capabilities
 - d. Hire creative engineers

7. With regard to the three types of customer attributes in evaluating the quality of goods and services, restaurant meals, health care and child care would best be classified as
 - a. High search
 - b. High experience
 - c. High in credence
 - d. High in competitive advantage

8. In regard to ways customers evaluate services compared to their evaluation of goods, which of the following is not true?
 - a. For services, customers seek and rely more on personal sources of information
 - b. Customers normally adopt innovations in services faster
 - c. Customers perceive greater results when buying services

- d. Dissatisfaction with services is often the result of a customer's inability to properly perform or co-produce their part of the service
9. Which of the following is not generally considered a competitive priority?
- a. Time
 - b. Flexibility
 - c. Innovation
 - d. Infrastructure
10. Regarding quality, which statement is not true?
- a. Businesses offering premium quality goods usually have larger market share and are early entrants into their market
 - b. Quality is positively and significantly related to higher return on investment for almost all kinds of market situations
 - c. A strategy of quality improvement usually leads to increased market share but at a cost in terms of reduced short-run profits
 - d. High goods quality producers can usually excel by charging average prices

TRUE/FALSE (20 Marks)

- 1. In general, the designs of both goods and services follow a similar path. The critical differences lie in the detailed product and design phase.
- 2. The design of a service cannot be done independently from the process by which the service is delivered.
- 3. An automated teller machine (ATM) is an excellent example of a Robust Process.
- 4. According to Japan's Genichi Taguchi, the greater the variance about the target value, the better the product and the lesser the average loss.
- 5. Having too many measures is much better than having too few.
- 6. Non-profit organizations and government agencies focus more on minimizing costs and maximizing value to their target markets, customers and society.
- 7. Measures and indicators of product and service performance that have a strong correlation with customer satisfaction are appropriate to monitor.
- 8. Most of the five dimensions of service quality pertain to behavioral characteristics, which makes them easier to measure.
- 9. A toothbrush is an example of a nondurable good.
- 10. Services cannot be standardized.

SECTION 2 (60 Marks)

QUESTION 1

Differentiate between a **transformation process** and a **value chain**. (10 Marks)

QUESTION 2

Define a **process**. Then differentiate among a **value creation process**, a support process, and a general **management process**. (10 Marks)

QUESTION 3

	FIRST QUARTER	SECOND QUARTER
Unit Selling Price	\$15.00	\$17.00
Total Units Sold	12,000	11,500
Labor Hours	10,000	9,500
Labor Cost/Hour	\$8.00	\$8.00
Material Usage (lbs.)	6,000	5,500
Material Cost/lb.	\$12.00	\$11.50
Other Costs	\$25,000	\$23,000

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- A. Using the information in Exhibit above, determine the total productivity for the First Quarter (use dollar output per dollar input). (2 Marks)
- B. Using the information above, determine the multifactor productivity, non-labor in this case, for the Second Quarter. Use units as outputs. (2 Marks)
- C. Given the information above, if unit output labor productivity for the First Quarter is 1.20 units per hour, determine the labor productivity index at the end of the Second Quarter using the First Quarter as a base. (2 Marks)
- D. A computer manufacturer has a 75 percent customer retention rate. Their accounting department estimates the incremental contribution to profit and overhead as 40 percent. Customers purchase computers every three years at an average cost of \$1,500.00. Determine the average value of a loyal customer. (4 Marks)

QUESTION 4

Katutura Investments, a supplier of construction materials such as ready-mix concrete, sand, gravel and other products, conducted a survey of its customers to understand their important wants and needs. The survey revealed the following:

- Responsive to special needs
- Easy to place orders
- Consistent product quality
- On-time delivery
- Accurate invoices
- Lowest prices
- Attractive credit terms
- Salespeople's skills
- Helpful dispatchers
- Courteous drivers
- Fair and quick problem resolution

- A) Draw an example customer benefit package and define the company's strategic mission. **(10 Marks)**
- B) What elements of operations design choices and infrastructure in Hills strategy framework would an operations strategy have to address to meet these customer requirements? **(10 Marks)**

QUESTION 5

- A. Contrast dissatisfiers, satisfiers and excitors/delighters. Why is this classification important for companies to understand, particularly from a strategic point of view? **(5 Marks)**
- B. Explain the difference between an order qualifier and an order winner. Provide some examples. **(5 Marks)**

