



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF MANAGEMENT

QUALIFICATION: BACHELOR OF BUSINESS MANAGEMENT	
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COURSE CODE: BBP712S	COURSE NAME: BUSINESS PROCESS MANAGEMENT
SESSION: JANUARY 2020	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND/SUPPLEMENTARY OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
1. Answer ALL the questions. 2. Write clearly and neatly. 3. Number the answers clearly.

PERMISSIBLE MATERIALS

1. Calculator

THIS EXAMINATION PAPER CONSISTS OF 7 PAGES (Including this front page)

SECTION A

[40 MARKS]

QUESTION 1: MULTIPLE CHOICE QUESTIONS [2 x 20]

- 1.1 How well a measuring instrument consistently measures the “true value” of the performance characteristic being measured is called
- An operational definition
 - Information reliability
 - Accessibility
 - Actionable
- 1.2 Which of the following does not belong with the other items?
- Customer defection rate
 - Actionable
 - Operational definition
 - Accessibility
- 1.3 Of the four models of organizational performance, which two focus on the “big picture?”
- Malcolm Baldrige National Quality Award Framework and the value chain model
 - Balanced Scorecard and the Service-Profit Chain
 - Malcolm Baldrige National Quality Award Framework and the Balanced Scorecard
 - Value chain model and Service-Profit Chain
- 1.4 Of the seven categories of the Malcolm Baldrige National Quality Award criteria, which is least relevant to an operations manager?
- Leadership
 - Human resource focus
 - Process management
 - Measurement, analysis and knowledge management
- 1.5 Of the four performance perspectives of the balanced scorecard model, which is most relevant to operations managers?
- Financial
 - Customer
 - Innovation and learning
 - Internal
- 1.6 In regard to the value chain model, efficiency, cost and cycle time would be most related to
- Suppliers
 - Inputs
 - Process or network of processes
 - Outputs and outcomes

- 1.7 Value chain measures would generally be less valuable to
- Top management
 - Middle managers
 - First-line supervisors
 - Employees to monitor any control
- 1.8 The service-profit chain model
- Is based on a set of cause-and-effect linkages
 - Is only focused on internal performance
 - Was designed first for manufacturing organizations
 - Is focused on equipment utilization
- 1.9 Regarding the service-profit chain model, which of the following is not viewed as internal performance?
- Customer satisfaction
 - Employee satisfaction
 - Employee retention
 - Employee productivity
- 1.10 A new product that will sell for \$75.00 has variable costs of \$38.00 per unit. Fixed costs of \$75,000 must be incurred every year to manufacture this product. What is the annual volume to break even?
- Fewer than 1500 units
 - 1500 to 1749 units
 - 1750 to 1999 units
 - 2000 units or more
- 1.11 Which of the following is incorrect? To increase value, an organization must
- Decrease price or cost while holding perceived benefits constant.
 - Hold perceived benefits constant while increasing price or cost.
 - Increase perceived benefits while holding price or cost constant.
 - Increase perceived benefits while reducing price or cost.
- 1.12 In the value chain model for a hospital, patients, drugs and staff would be considered as
- Suppliers
 - Inputs
 - Transformation processes
 - Outputs

- 1.13 What term describes the process of obtaining goods or services from an outside provider?
- a. Outproviding
 - b. Transferization
 - c. Outsourcing
 - d. Subsourcing
- 1.14 When does productivity increase?
- a. Inputs increase while outputs remain the same
 - b. Inputs decrease while outputs remain the same
 - c. Outputs decrease while inputs remain the same
 - d. Inputs and outputs increase proportionally
- 1.15 Which of the following is a valid type of productivity measure?
- a. Multi output productivity measure
 - b. Partial productivity measure
 - c. Multi part productivity measure
 - d. Multi component productivity measure
- 1.16 On Thursday Muronga produced 210 units in 7 hours. On Friday she produced 190 units in 5 hours. What is her percentage productivity change?
- a. 20.00%
 - b. -20.00%
 - c. 26.67%
 - d. -26.67%
- 1.17 A set of unique features of a company and its products is perceived by the target market as significant and superior to the competition
- a. Value chain
 - b. Competitive advantage
 - c. Productivity
 - d. Benchmarking
- 1.18 The competencies and skills that a firm employs to transform inputs into outputs
- a. Transformation
 - b. Skilled labour
 - c. Technological resources
 - d. Organizational capabilities

- 1.19 Spoiled meat served in a restaurant and weak sidewalls in an automobile tire would be classified as
- a. Aesthetic nonconformity
 - b. Critical defect
 - c. Major defect
 - d. Minor defect

- 1.20 _____ factories are established to supply specific national or regional markets.
- a. Server
 - b. Offshore
 - c. Outpost
 - d. Lead

SECTION B

[10 MARKS]

QUESTION 2: INDICATE WHETHER THE STATEMENT IS TRUE/FALSE [1 X 10]

- 2.1 Focusing on a partial measure of productivity is preferable to total or multifactor productivity measures.
- 2.2 Operational Capabilities must be built before a firm can understand customer wants and needs.
- 2.3 Customers may not know what they want.
- 2.4 Interlinking is quantitative modeling of cause-and-effect relationships.
- 2.5 Productivity is more closely related to effectiveness than efficiency.
- 2.6 A value chain model can be considered a "cradle to grave".
- 2.7 It costs 3 to 5 times more to keep an existing customer than to acquire a new customer.
- 2.8 Eventually, satisfiers become excitors/delighters.
- 2.9 Innovation does not necessarily involve practical application or commercialization.
- 2.10 Manufacturing costs are determined by product design.

SECTION C

[50 MARKS]

QUESTION 3: ESSAY TYPE QUESTIONS AND COMPUTATIONS

3.1 Illustrate the strategic pursuit of companies in providing customer satisfaction according to the Kano model by Professor Noriaki Kano? [10]

3.2 The philosophy and principles of the Theory of Constraints (TOC) are valuable in understanding demand and capacity management. Discuss the Theory of Constraints (TOC)? [10]

3.3 Use the information for Fredericks Trading cc provided in Exhibit 1 to answer questions below;

Exhibit 1: Information for Fredericks Trading cc.

	FIRST QUARTER	SECOND QUARTER
Unit Selling Price	\$17.00	\$19.00
Total Units Sold	12,000	11,500
Labor Hours	10,000	9,500
Labor Cost/Hour	\$9.00	\$9.00
Material Usage (lbs.)	6,000	5,500
Material Cost/lb.	\$13.00	\$12.50
Other Costs	\$5,000	\$3,000

a) Determine the total productivity for the First and Second Quarters (use dollar output per dollar input)? [6]

b) In which quarter is Fredericks Trading cc more productive? [1]

c) What is the productivity change for Fredericks Trading cc in percentage? [3]

3.4 Substantiate how operations management/business processes influences the five major types of competitive priorities [10]

3.5 In lean thinking it is said that messy and disorganized workplaces waste time, energy, and resources. Outline the 5S Principles used to create a clean and well-organized work environment and distinguish between Lean and Six Sigma approaches? [10]