

Managing for Quality and Performance Excellence
12th edition Evans Test Bank

SKU: 9780357984789-TEST-BANK

Chapter 01: Introduction to Quality

1. People view quality subjectively and in relation to differing criteria based on their individual roles in the production-marketing value chain.

- a. True
- b. False

ANSWER: True

2. The transcendent definition of quality was first defined as the goodness of a product.

- a. True
- b. False

ANSWER: True

3. The user perspective of quality judges a product based on how well the product performs its intended function.

- a. True
- b. False

ANSWER: True

4. If a competitor offers the same quality package of goods and services at a lower price, customers will generally choose the one having the lower price.

- a. True
- b. False

ANSWER: True

5. Every employee in an organization has internal customers who receive goods or services from suppliers within the organization.

- a. True
- b. False

ANSWER: True

6. Because of production variability, the use of interchangeable parts necessitates careful control of quality, both in design and manufacturing.

- a. True
- b. False

ANSWER: True

7. During the 1940s and 1950s, after World War II, the quality of products was the most important priority of top managers, as it was recognized as the key to worldwide success.

- a. True
- b. False

ANSWER: False

8. Although quality can drive business success, it cannot guarantee it, and one must not infer that business failures or stock price drops are the result of poor quality.

- a. True
- b. False

ANSWER: True

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9. Service 4.0 applies digitization to services that create higher productivity, innovation, and value chain advantages in service industries.

- a. True
- b. False

ANSWER: True

10. It is the responsibility of marketing and sales employees to learn about the products and product features that consumers want and know the prices that consumers are willing to pay for them.

- a. True
- b. False

ANSWER: True

11. The receiving department in an organization ensures that the delivered items are of the quality specified by the purchase contract.

- a. True
- b. False

ANSWER: True

12. The tool engineering function is responsible for designing and maintaining the tools used in manufacturing and inspection.

- a. True
- b. False

ANSWER: False

13. Inspection should be used as a means of gathering information that can be used to improve quality, not simply to remove defective items.

- a. True
- b. False

ANSWER: True

14. If quality is built into the product properly, inspection should be unnecessary except for auditing purposes and functional testing.

- a. True
- b. False

ANSWER: True

15. The production of services typically requires a lower degree of customization than does manufacturing.

- a. True
- b. False

ANSWER: False

16. The output of many service systems is intangible, whereas manufacturing produces tangible, visible products.

- a. True
- b. False

ANSWER: True

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17. Manufacturing is generally more labor intensive compared to services.

- a. True
- b. False

ANSWER: False

18. Services are produced prior to consumption.

- a. True
- b. False

ANSWER: False

19. Customers evaluate a service primarily by the quality of the human contact.

- a. True
- b. False

ANSWER: True

20. The rapid increase in liability suits has made legal services an important aspect of quality assurance.

- a. True
- b. False

ANSWER: True

21. Accounting data are useful in identifying areas of quality improvement and tracking the progress of quality improvement programs.

- a. True
- b. False

ANSWER: True

22. The professional certifications of Certified Quality Manager, Certified Quality Engineer, and Certified Quality Auditor are sanctioned by the American Society for Quality (ASQ).

- a. True
- b. False

ANSWER: True

23. It is the responsibility of the organization's quality function to "own" or guarantee quality throughout the organization.

- a. True
- b. False

ANSWER: False

24. The high quality of products is itself an important source of competitive advantage for organizations.

- a. True
- b. False

ANSWER: True

25. Quality-focused companies achieve better employee participation and relations, improved product and service quality, higher productivity, greater customer satisfaction, increased market share, and improved profitability.

- a. True

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b. False

ANSWER: True

26. Employees who embrace quality as a personal value often go beyond what they're asked or normally expected to do to reach a difficult goal or provide extraordinary service to a customer.

a. True

b. False

ANSWER: True

27. Six Sigma focuses on outputs that are critical to customers and justifies improvements by demonstrating a clear financial return for the organization.

a. True

b. False

ANSWER: True

28. According to the *Quality Improvement Glossary*, how is quality defined?

a. A measurable attribute of a product or service

b. A universal standard agreed upon by all individuals

c. A subjective term with individualized definition

d. An objective measure of performance and efficiency

ANSWER: c

29. Which of the following statements regarding the transcendent or judgmental perspective of quality is true?

a. It is of little practical value to the managers, as standards of excellence vary considerably among individuals.

b. It provides a precise and universally acceptable definition for quality.

c. It defines quality on the basis of the relationship of product benefits to price.

d. It provides a means by which quality can be measured or assessed as a basis for practical business decisions.

ANSWER: a

30. A consumer electronics company introduced a new music system into the market with multiple features such as a built-in alarm, mobile and iPod charger, radio, and many more. Which perspective of quality is the company trying to influence by providing multiple features in a single product?

a. Value

b. User

c. Product

d. Transcendent

ANSWER: c

31. Which of the following perspectives of quality focuses on the relationship of product benefits to price?

a. Value perspective

b. Product perspective

c. User perspective

d. Manufacturing perspective

ANSWER: a

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32. The value perspective defines quality of a product on the basis of the
- ability of the product to perform its intended function.
 - relationship of product benefits to price.
 - quantity of some product attribute.
 - product's conformance to its specifications.

ANSWER: b

33. Kosher's Supermarket employs various strategies to provide good quality products to consumers at lower prices compared to other competing stores. Which perspective of quality is this marketing strategy most likely to influence?
- User
 - Product
 - Value
 - Manufacturing

ANSWER: c

34. Which of the following perspectives defines quality for production workers?
- Manufacturing perspective
 - User perspective
 - Value perspective
 - Transcendent perspective

ANSWER: a

35. Which perspective defines quality as the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs?
- Value
 - Transcendent
 - Manufacturing
 - Customer

ANSWER: d

36. The ultimate purchaser of a product or service is referred to as a(n)
- supplier.
 - external customer.
 - consumer.
 - internal customer.

ANSWER: c

37. Shenzhen Electronics, a cell phone manufacturing company, buys microphones and Bluetooth handsets from Atid Infotech. For Atid Infotech, Shenzhen is a(n)
- consumer.
 - supplier.
 - external customer.
 - internal customer.

ANSWER: c

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38. Which of the following statements regarding internal customers of an organization is true?

- a. They buy products or services for their own personal use.
- b. They receive goods or services from suppliers within the organization.
- c. They are the ultimate purchasers of a product or service.
- d. They have a mandatory instruction to share the feedback on service.

ANSWER: b

39. From which perspective do customers generally view quality?

- a. User
- b. Manufacturing
- c. Value
- d. Transcendent

ANSWER: d

40. During which ancient Chinese dynasty did the roots of modern quality assurance methods originate?

- a. Han
- b. Tang
- c. Zhou
- d. Qin

ANSWER: c

41. What key innovation facilitated higher productivity and faster production during the First Industrial Revolution?

- a. Introduction of electricity and the backend circuit
- b. Development of systems with interchangeable parts
- c. Invention of the assembly line for better services
- d. Discovery of petroleum and by-products of crude oil

ANSWER: b

42. Who is credited with developing control charts?

- a. Henry Ford, Sr.
- b. Frederick W. Taylor
- c. Walter Shewhart
- d. Thomas Jefferson

ANSWER: c

43. According to the American Society for Quality, what is one of the value propositions for Quality 4.0?

- a. Increase in the speed of Internet and connectivity
- b. Increase in electricity network and power back-up
- c. Increase in the speed and quality of decision-making
- d. Increase in emphasis on manual inspection processes

ANSWER: c

44. Which of the following statements regarding quality management during the age of craftsmanship is true?

- a. Inspection served as the predominant method for ensuring quality control in the manufacturing process.

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- b. Various statistical methods and control charts were being used to identify quality problems in production processes and to ensure consistency of output.
- c. Ensuring quality of products was the responsibility of the quality departments, not the workers who were directly involved in creating the products.
- d. Quality assurance was informal, and efforts were made to ensure that quality was built into products by the people who produced them.

ANSWER: d

45. The concept of total quality is defined as a(n)

- a. customer-focused, results-oriented approach to business improvement that integrates many traditional quality improvement tools with a bottom-line and strategic orientation.
- b. people-focused management system that aims at continual increase in customer satisfaction at continually lower real cost.
- c. structured approach to organizational management that is used to prioritize and select projects that have high benefits relative to the effort involved in accomplishing them.
- d. integrated approach to organizational performance management that results in lower consumption of resources.

ANSWER: b

46. Which of the following statements regarding the Six Sigma approach to quality improvement is true?

- a. It is primarily concerned with improving customer satisfaction through marketing strategies and improving after-sales services.
- b. It integrates many traditional quality improvement tools and techniques that have been tested and validated over the years, with a bottom-line and strategic orientation that appeals to senior managers.
- c. It becomes less effective in addressing problems related to quality and efficiency if the Six Sigma tools are combined with lean tools from the Toyota production system.
- d. It focuses entirely on the training and education of managers and not the front-line employees and the technical staff in the organization.

ANSWER: b

47. Which aspect of production planning and scheduling aims to maintain a smooth flow of production by ensuring the availability of materials, tools, and equipment?

- a. Long-term production requirements
- b. Short-term production requirements
- c. Small batch production
- d. Single piece flow

ANSWER: b

48. The purchasing department helps a firm achieve quality by

- a. defining long- and short-term production requirements for filling customer orders and meeting anticipated demand.
- b. ensuring that the products are assembled correctly and eliminating the causes that can lead to defects or errors in the final product.
- c. collaborating with product design engineers to develop realistic specifications for the product.
- d. providing quality-improvement training to suppliers.

ANSWER: d

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49. Which of the following employees in an organization are responsible for selecting appropriate technologies, equipment, and work methods for producing quality products?

- a. Production workers
- b. Industrial engineers
- c. Salespeople
- d. Tool engineers

ANSWER: b

50. Which of the following functions in the manufacturing system is responsible for specifying long- and short-term production requirements for filling customer orders and meeting anticipated demand?

- a. Product design and engineering
- b. Manufacturing and assembly
- c. Production planning and scheduling
- d. Industrial engineering and process design

ANSWER: c

51. Which function is responsible for designing and maintaining manufacturing equipment to prevent defects and ensure efficiency?

- a. Process engineering
- b. Quality control
- c. Supply chain management
- d. Tool engineering

ANSWER: d

52. The production of services differs from manufacturing because services

- a. can be inspected prior to delivery.
- b. require less customization compared to manufactured goods.
- c. produce outputs that are mostly intangible.
- d. are less labor intensive and involve minimal human interaction.

ANSWER: c

53. What distinguishes the production of services from manufacturing in terms of customer interaction?

- a. Services involve simultaneous production and consumption.
- b. Manufacturing allows for greater customization.
- c. Services are typically more capital intensive.
- d. Manufacturing requires customer's presence.

ANSWER: a

54. Customers evaluate a service primarily by the

- a. speed of the service.
- b. accuracy of the service.
- c. quality of the human contact.
- d. degree of customization offered by the service.

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ANSWER: c

55. Which of the following is a negative impact of information technology on the customer service provided by service organizations?

- a. It has increased the labor intensity involved in the production of services.
- b. It has resulted in less personal interaction between consumers and service providers.
- c. It has decreased the speed of service.
- d. It has restricted the ability of customers to compare products with competitor brands before making a purchase.

ANSWER: b

56. Which of the following business support functions helps in achieving quality by ensuring that the product labeling, packaging, and safety measures follow laws and regulations?

- a. Marketing and sales
- b. Tool engineering
- c. Legal services
- d. Finance and accounting

ANSWER: c

57. One of the ways that the legal services function helps to achieve quality is by

- a. ensuring that the firm provides training to its salespeople so that they can appropriately answer all customer queries.
- b. designing and wording the company's product warranties properly.
- c. providing special statistical studies and analyses to the manufacturing or business support functions.
- d. authorizing sufficient budgeting for equipment, training, and other means of assuring quality.

ANSWER: b

58. Which aspect of quality management involves ensuring that measurement equipment is calibrated and traceable to national standards?

- a. Supplier quality management
- b. Reliability engineering
- c. Metrology
- d. Product/service design

ANSWER: c

59. What is the main objective of quality control (QC) within the quality function?

- a. Ensuring profitability
- b. Regulating organizational processes
- c. Preventing defective products or services
- d. Managing customer relations

ANSWER: c

60. What does "competitive advantage" refer to?

- a. Achieving market superiority
- b. Reducing production costs

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- c. Increasing employee satisfaction
- d. Enhancing brand visibility

ANSWER: a

61. Improved conformance in production or service delivery tends to increase profitability because
- a. it helps to differentiate the product from its competitors and improve the perceived value of the product.
 - b. it ensures that the services are performed according to the convenience of the customer.
 - c. it leads to lower costs through savings in rework, scrap, resolution of errors, and warranty expenses.
 - d. it leads to improved employee motivation and quick turn-around time (TAT).

ANSWER: c

62. What did the survey by Rath & Strong reveal about personal initiative and customer orientation?
- a. They have no significant impact on business success.
 - b. They are unrelated to the sales growth rate.
 - c. They positively influence business success and sales growth rate.
 - d. They only benefit certain Fortune 500 companies.

ANSWER: c

63. Organizations can ensure that quality is rooted in their culture by
- a. internalizing quality at the personal level and encouraging employees to practice quality in all activities of daily life.
 - b. encouraging employees to do more than what they are expected to do through reward programs.
 - c. ensuring that the company follows laws and regulations regarding product labeling, packaging, and other marketing requirements.
 - d. allotting sufficient budget amounts for equipment, training, and other means of assuring quality.

ANSWER: a

64. How does the customer perspective contribute to coordinating the entire value chain?

ANSWER: The customer perspective acts as a unifying force in coordinating the value chain. By aligning various functions with customer needs and expectations, it ensures a cohesive approach to delivering quality goods and services, enhancing overall customer satisfaction and organizational success.

65. What significance did statistical quality control (SQC) have during World War II?

ANSWER: Statistical quality control (SQC) gained prominence during WWII, adopted by the military and suppliers, bolstering wartime production and nurturing the growth of quality specialists, contributing to the widespread adoption of quality control practices.

66. What factors contributed to the U.S. Quality Revolution in the 1980s?

ANSWER: Increased global competition, higher-quality foreign products, and greater consumer access to information prompted U.S. consumers to demand high-quality goods and services. Safety regulations, product recalls, and liability judgments shifted society's attitudes, emphasizing the importance of quality to businesses for survival.

67. Define Quality 4.0 and its significance in organizational excellence according to the American Society for Quality.

ANSWER: Quality 4.0 aligns quality management with Industry 4.0's capabilities, enhancing operational excellence through data analytics, AI, and collaboration. It offers value propositions like augmenting human

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intelligence, improving decision-making speed, and fostering continuous improvement.

68. How does the role of the purchasing department contribute to ensuring quality in a firm's operations?

ANSWER: The purchasing department aids in achieving quality by selecting quality-conscious suppliers, defining quality requirements, fostering collaboration between technical staff, and maintaining communication with suppliers. These efforts ensure timely delivery of quality parts and services, facilitating the production of high-quality goods.

69. What role do finished goods inspection and testing play in quality management, and how does this relate to the concept of building quality into products?

ANSWER: Finished goods inspection and testing serve as measures to ensure product quality, although ideally, quality should be built into products during manufacturing. Inspection should be used primarily for auditing purposes and functional testing, gathering information to improve quality rather than merely identifying defects.

70. Discuss the difference in assessing quality between manufactured goods and services, highlighting the challenges in service quality evaluation.

ANSWER: Manufacturing quality is assessed against design specifications, while service quality is measured against subjective customer expectations. Service's intangible nature and reliance on customer perceptions pose challenges. Unlike goods, services cannot be recalled, emphasizing the need for proactive quality assurance and customer-focused approaches.

71. Discuss the impact of e-commerce on service quality, considering both its benefits and potential drawbacks.

ANSWER: E-commerce revolutionizes service delivery by offering convenience and customization. Platforms like Amazon.com enhance customer relationships through personalized recommendations and extensive product information. However, some argue that reduced personal interaction in e-commerce may diminish customer satisfaction, highlighting the need to balance technology with human touch.

72. How does a firm's legal department contribute to quality assurance, particularly in the context of compliance and liability?

ANSWER: A firm's legal department ensures compliance with laws and regulations related to product labeling, warranties, safety, and transportation. It also addresses contractual requirements and prepares documentation for liability claims. With the rise in liability suits, legal services have become crucial for quality assurance, safeguarding the organization's reputation and minimizing legal risks.

73. What are the primary roles of the quality function within an organization?

ANSWER: The quality function encompasses roles such as quality control, metrology, training, auditing, reliability engineering, problem solving, supplier quality management, and product/service design. It collaborates with various departments to ensure adherence to quality standards and support continuous improvement initiatives.

74. How does Philip Crosby's perspective on quality emphasize its impact on profitability?

ANSWER: Crosby asserts that quality is not only free but also a profit generator. By eliminating costs associated with errors, rework, and warranty expenses, organizations can significantly enhance their bottom line. Improvements in both design and conformance to quality standards lead to increased profits by enhancing product differentiation and reducing production costs.

75. Why is personal quality crucial in fostering a culture of quality within organizations?

ANSWER: Personal quality serves as a fundamental element in establishing a culture of quality within organizations.

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Without individual commitment to quality, organizational efforts to promote quality will remain superficial. Internalizing quality at a personal level is essential for ingraining it into the fabric of organizational culture and daily activities.

76. Describe the significance of the DMAIC methodology in Six Sigma.

ANSWER: DMAIC stands for Define, Measure, Analyze, Improve, and Control, serving as a structured problem-solving approach within Six Sigma. It incorporates various statistical and process-improvement tools to facilitate performance enhancement, quality improvement, cost reduction, and profitability optimization.

77. Why has interest in Six Sigma waned in some organizations despite its initial success?

ANSWER: Interest in Six Sigma has declined in some organizations due to its success in reducing defects and elevating quality to a satisfactory level. Additionally, attention has shifted to new approaches and innovations in the corporate world. While Six Sigma remains a valuable tool for problem solving, its implementation requires strong leadership, customer focus, and cultural change, which can pose challenges for some organizations.

78. Explain the significance of integrating different quality perspectives in the value chain.

ANSWER: Individuals in different business functions speak different languages. Thus, different quality perspectives at different points in the value chain are important to ultimately create and deliver goods and services that will satisfy customers' needs and expectations. The customer is the driving force for the production of goods and services, and customers generally view quality from either the transcendent or the product perspective. The goods and services produced should meet customers' needs and expectations. It is the role of the marketing function to determine these. Hence, the user perspective of quality is meaningful to people who work in marketing.

The manufacturer must translate customer requirements into detailed product and process specifications. Making this translation is the role of research and development, product design, and engineering. Product specifications might address such attributes as size, form, finish, taste, dimensions, tolerances, materials, operational characteristics, and safety features. Process specifications indicate the types of equipment, tools, and facilities to be used in production. Product designers must balance performance and cost to meet financial and marketing objectives; thus, the value perspective of quality is most useful at this stage. The manufacturing function is responsible for guaranteeing that design specifications are met during production and that the final product performs as intended. Thus, for production workers, quality is defined by the manufacturing perspective.

Throughout the value chain, each function is an internal customer of others, and the firm itself may be an external customer or supplier to other firms. Thus, the customer perspective provides the basis for coordinating the entire value chain.

79. Discuss the role of separate quality functions or departments in organizations.

ANSWER: The quality function within an organization serves as a specialized hub, housing experts dedicated to ensuring excellence across all operations. Armed with certifications like Certified Quality Manager and Certified Quality Engineer, these professionals spearhead crucial tasks such as quality control, metrology, training, auditing, and reliability engineering. They're the problem-solvers, ensuring processes align with organizational strategies and customer needs. From supplier management to product design, their influence spans every aspect of the business. However, it's vital to recognize that while the quality function offers guidance and support, quality ownership is collective. Every individual within the organization must embody a commitment to quality, making it an integral part of their role. Quality isn't just a departmental concern; it's a shared responsibility ingrained in every function and every employee.

80. Explain the importance of the digital revolution.

ANSWER: The Digital Revolution, epitomized by the Fourth Industrial Revolution, marks a transformative era driven by technologies like AI, big data analytics, and IoT. It revolutionizes manufacturing, services, and beyond,

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enhancing efficiency, innovation, and connectivity. Industry 4.0 empowers manufacturers with smart factories and agile operations, while Service 4.0 enhances productivity in service industries. Quality 4.0 aligns quality management with digital capabilities, fostering operational excellence through data-driven insights and adaptive systems. With AI monitoring healthcare and IoT shaping customer interactions, industries redefine their landscapes. Quality 4.0 redefines responsibility, integrating customer feedback and IoT data for enhanced product design and customization. As businesses adapt—embracing the potentials of Industry 4.0 and Quality 4.0—they embark on an exciting journey towards future success.

81. How do quality of design and conformance influence the profitability of an organization?

ANSWER: Profitability is driven by both the quality of design and conformance. Improvements in design will differentiate the product from its competitors, improve a firm's quality reputation, and improve the perceived value of the product. These factors allow the firm to command higher prices as well as to achieve a greater market share, which in turn leads to increased revenues that offset the costs of improving the design. Improved conformance in production or service delivery leads to lower costs through savings in rework, scrap, resolution of errors, and warranty expenses.

82. Why is it important for organizations to internalize quality at the personal level?

ANSWER: Organizations today expect their employees to take more responsibility for acting as the point of contact between the organization and the customer, to be team players, and to provide better customer service. Quality begins with individual attitudes and behavior. Employees who embrace quality as a personal value often go beyond what they're asked or normally expected to do in order to reach a difficult goal or provide extraordinary service to a customer. Personal quality is an essential ingredient to make quality happen in the workplace. Unless quality is internalized at the personal level, it will never become rooted in the culture of an organization.