

202223 BACHELOR IN BUSINESS ADMINISTRATION OPERATIONS MANAGEMENT. CONTINUOUS EVALUATION EXERCISE - LESSON 5+8 Group: OR LECTURER: Emilio Camarena

Name: _____ **Date:** _____

Please mark the option you believe to be correct – there is only one correct answer per question. Each correct answer will be credited with 0.6 points, and each wrong answer will result in a deduction of 0.3. The exercise is worth 4 points. The total rating of the quiz is 10 points.

- 1) The Lopez family wishes to open a rural hotel in rural Spain to sell multi-activity packages to their guests. Which criteria will they use when deciding on its location?
 - a) Location will be chosen on closeness to customers and the perceived level of national corruption.
 - b) Location must be close to suppliers in a well communicated spot.
 - c) Location will be decided on the natural resources of the area and the availability of a trained workforce.
- 2) Fishing Inc. produces and sells tinned sardines. In the construction of a new and highly automated plant, the firm will consider preferably for its location the criteria of:
 - a) Availability of cheap non-specialised workforce.
 - b) Proximity to suppliers.
 - c) Proximity to customers.
- 3) A process-oriented layout (please mark the incorrect alternative):
 - a) Minimises the movement of products between the production phases.
 - b) Is more flexible than a product-oriented layout.
 - c) Can efficiently produce small batches of products.
- 4) The nearness of competing wineries in the Duero Valley in Spain, or the Bordeaux region in France, is due to the existence of natural resources of land and climate, and so leads to a concentration of firms of the same sector in this geographical area and the development of:
 - a) Cluster economies.
 - b) Urbanisation economies.
 - c) Economies of scale.
- 5) In line with new food trends, the HeavenlyBread Company is planning the construction of a new factory to make a special kind of low-sugar vegan fruit jam. It wants to minimise the work-in-progress, but the variety of types of products is rather high. Its best layout choice would be:
 - a) A process-oriented layout.
 - b) A product-oriented layout.
 - c) A work cell layout
- 6) Which one of the following statements is incorrect?
 - a) A process-oriented layout is very flexible but requires considerable investment in machinery.
 - b) A process-oriented layout is appropriate for small batches of products, but requires high transport costs between the different sections.
 - c) A product-oriented layout is very flexible but requires considerable investment in equipment.
- 7) If the nominal capacity of a factory is 1,000 tons per week and the daily production is 180 tons, the degree of utilisation is: (a week equals 5 productive days):
 - a) 80 %
 - b) 90 %
 - c) 70 %
- 8) A theatre has a monthly capacity of 5,000 seats, it holds two sessions daily and works 25 days a month, what is the dimension of the cinema?
 - a) 100 seats
 - b) 110 seats
 - c) 200 seats
- 9) In the product-oriented layout (please mark the **wrong** option):
 - a) A team is trained in the job post they fulfil.
 - b) The product is standardised.
 - c) The flexibility of the layout enables a wide variety of products.

- 10) When manufacturing small batches of products with a low degree of standardisation (that travel along different paths across the plant depending on the operations to be done), with highly skilled workers who move themselves to perform the operations, we are considering:
- a) A process-oriented layout.
 - b) A fixed-position layout.
 - c) A product-oriented layout.

Exercise

Javier García, a businessman in the catering industry, is opening a fixed-price menu restaurant. The restaurant will have 120 tables with 4 seats each and will offer only mid-day meals, but in two shifts. His forecast is that the average occupancy rate for the first year will be around 66% for both shifts (opening 320 days per year).

He plans to offer five menus, whose unit variable cost and sales price will be the same. He calculates that the unit variable cost will be 10 euros, and that his fixed cost for the restaurant will be €126,315 per year.

What will be the sales price of the menu if he wants to make a profit of €85,000 from the restaurant in its first year? Please give your answer rounded to the second decimal place.