**Chapter 18 Supplement: Capacity Requirements Planning, MRP II, ERP, and DRP**

**Test Bank**

**Multiple Choice**

1. Companies use \_\_\_\_\_\_ systems to systematically plan and control their logistics and product distribution activities.

a. material resource planning (MRP)

b. capacity requirements planning (CRP)

c. distribution requirements planning (DRP)

d. enterprise resource planning (ERP)

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-5. Describe the features of a DRP system.

Answer Location: Operations Profile: Callaway Golf Uses ERP to Keep Swinging

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

2. A process that enables a company to analyze the capabilities of its operation system to determine whether the company has enough capacity to meet a proposed production schedule for a specified time frame is \_\_\_\_\_\_.

a. material resource planning (MRP)

b. capacity requirements planning (CRP)

c. distribution requirements planning (DRP)

d. enterprise resource planning (ERP)

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

3. \_\_\_\_\_\_ refers to the production capability of a facility per unit of time.

a. Capacity

b. Inventory buffer

c. Demand

d. Production volume

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

4. Capacity planning for the \_\_\_\_\_\_. time range is called capacity requirements planning (CRP).

a. short

b. long

c. medium

d. extended

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Hard

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

5. Capacity decisions in the short term are referred to as \_\_\_\_\_\_.

a. capacity requirements

b. capacity planning

c. capacity assessment

d. capacity control

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Hard

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

6. \_\_\_\_\_\_ is accomplished by finite scheduling through the use of techniques such as input–output control.

a. Capacity requirements

b. Capacity planning

c. Capacity assessment

d. Capacity control

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

7. Capacity planning activities work in tandem with \_\_\_\_\_\_ and include resource planning, rough-cut capacity planning, and capacity requirements planning.

a. priority control activities

b. priority planning activities

c. capacity control activities

d. capacity assessment activities

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

8. The amount of planned work scheduled and actual work assigned to a production facility for a specified period of time is a \_\_\_\_\_\_.

a. load

b. production volume

c. capacity

d. work schedule

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

9. Work-in-process inventory builds up at the work station when \_\_\_\_\_\_.

a. load to a work center exceeds its existing capacity

b. load to a work center is lesser than its existing capacity

c. load to a work center is equal to its existing capacity

d. load to a work center is zero

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

10. In the context of a CRP system, a \_\_\_\_\_\_ represents the setup time plus run time required from a specific work center.

a. load

b. flow time

c. capacity

d. work schedule

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

11. The goal of \_\_\_\_\_\_ is to regulate both the flow of work orders and work center capacities in order to achieve a steady flow of work with minimal load back-up.

a. material resource planning (MRP)

b. distribution requirements planning (DRP)

c. capacity requirements planning (CRP)

d. enterprise resource planning (ERP)

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

12. Capacity requirements planning (CRP) is most conducive for \_\_\_\_\_\_ production processes.

a. job-shop

b. intermittent

c. outlier

d. flow-shop

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

13. Which of the following is NOT a key input to a CRP system?

a. planned order releases from MRP system

b. load information from work center

c. job times

d. delivery schedule

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

14. Two hundred fifty units of Component X are scheduled for production. Each unit of X requires labor standard time of 2 hours per unit and machine standard time of 1 hour per unit. The standard labor hours of load requirements are \_\_\_\_\_\_.

a. 250

b. 500

c. 400

d. 350

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

15. Two hundred fifty units of Component X are scheduled for production. Each unit of X requires labor standard time of 2 hours per unit and machine standard time of 1 hour per unit. The standard machine hours of load requirements are \_\_\_\_\_\_.

a. 250

b. 500

c. 400

d. 350

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

16. The process of loading all the work centers without regard to the actual capacity available in the work center is \_\_\_\_\_\_

a. finite loading

b. infinite loading

c. capacity loading

d. work center loading

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

17. The advantage of \_\_\_\_\_\_ is that it enables planners to see the impact the planned order releases will have on the capacity required at the work centers.

a. capacity loading

b. infinite loading

c. finite loading

d. work center loading

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

18. Finite loading is best suited for \_\_\_\_\_\_ capacity control decisions.

a. short-range

b. medium-range

c. long-range

d. extended-range

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

19. The process of setting loading limits on the amount of load assigned to each work center per period is \_\_\_\_\_\_.

a. finite loading

b. infinite loading

c. capacity loading

d. work center loading

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

20. \_\_\_\_\_\_ is the division of a single lot into two or more sublots and simultaneously processing each sublot on identical (or very similar) work centers as separate lots.

a. Lot processing

b. Lot splitting

c. Lot allocating

d. Lot wrapping

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

21. Which of the following statements is FALSE about CRP?

a. It is primarily applicable to job-shop production.

b. It requires large amounts of data.

c. It does not show the effect of master schedule revisions on achieving load balances.

d. It is primarily applicable to flow-shop production.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

22. Which of the following statements is FALSE about lot splitting?

a. It compresses lead times.

b. It reduces overloads.

c. It splits single lot into multiple sublots.

d. It increases lead times.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

23. Which of the following statements is true about open loop MRP systems?

a. There are provisions for feedback.

b. Plans and schedules are developed assuming finite capacity.

c. Plans and schedules are developed assuming on-time, correct delivery of materials ordered by suppliers.

d. Schedules are maintained by adjusting production plans when changes in demand occurred.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

24. The use of open loop MRP system leads to \_\_\_\_\_\_.

a. shop floor disruptions

b. on-time deliveries to customers

c. limited replanning

d. reduced costs

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

25. The \_\_\_\_\_\_ system has a provision for feedback that enables plans generated by the system to be checked and adjusted.

a. open loop MRP

b. semi-open loop MRP

c. closed loop MRP

d. open loop CRP

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

26. Manufacturing resource planning (MRP II) is an extension of the \_\_\_\_\_\_ system.

a. open loop MRP

b. semi-open loop MRP

c. closed loop MRP

d. open loop CRP

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

27. Which of the following statements is FALSE about MRP II systems?

a. They create a detailed production schedule to coordinate the arrival of components with resources such as labor and machine availability.

b. They are an extension of a closed loop MRP system.

c. They add value at every phase, beginning with the purchase of materials, through the manufacturing facility to the shipping dock, where the product is packaged and send to end customer.

d. They lack tools to track employee attendance, labor contribution, and productivity.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

28. \_\_\_\_\_\_ allows for the coordination of raw materials purchasing, whereas \_\_\_\_\_\_ facilitates the development of a detailed production schedule that accounts for machine and labor capacity and for scheduling the production runs.

a. MRP, MRP II

b. MRP II, MRP

c. MRP, CRP

d. MRP, DRP

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

29. Which of the following is NOT a benefit of MRP II systems?

a. better inventory control

b. escalated costs

c. efficient scheduling

d. improved relationships with suppliers

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

30. \_\_\_\_\_\_ is the coordination of all activities related to production by providing consistent data to all participants involved in various stages of the production process.

a. Manufacturing resource planning (MRP)

b. Manufacturing resource planning (MRP II)

c. Enterprise resource planning (ERP)

d. Distribution requirements planning (DRP)

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

31. \_\_\_\_\_\_ identifies the key resources such as labor, machines, tools, space, and materials needed to produce one unit of a product.

a. A bill of resources

b. A production order

c. A planned order

d. A transfer order

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resources Planning (MRP-II)—An Extension of MRP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

32. A system that provides a real-time integrated view of a company’s core business processes through information sharing to tie together the critical components of an organization to achieve cross-functional collaboration is \_\_\_\_\_\_.

a. manufacturing resource planning (MRP)

b. manufacturing resource planning (MRP II)

c. enterprise resource planning (ERP)

d. distribution requirements planning (DRP)

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

33. The \_\_\_\_\_\_ systems used in health care serve a similar function to organizations employing EPR systems.

a. electronic medical records

b. emergency medical records

c. enterprise medical records

d. expert medical records

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

34. Which of the following statements is FALSE about ERP systems?

a. They use a centralized database with a common computing platform.

b. They standardize business processes for coordination of all resources and activities.

c. They require data to be entered multiple times into the system.

d. They integrate and automate flow of information across all departments within a company.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

35. The following is data that can be entered into the \_\_\_\_\_\_ system: customer order entry, ripples through the enterprise changing inventory, production schedules, accounts payable, balance sheet, materials reordering, and shipping schedules.

a. manufacturing resource planning (MRP)

b. manufacturing resource planning (MRP II)

c. enterprise resource planning (ERP)

d. distribution requirements planning (DRP)

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

36. In which module of the ERP system is most of the product differentiation, including industry specific functionality, incorporated?

a. manufacturing

b. human resources management (HRM)

c. supply chain management (SCM)

d. finance and accounting

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

37. Which module of the ERP system includes applications for managing payrolls, time and labor tracking, compensation management, employee recruitment, and planning workforce needs?

a. manufacturing

b. human resources management (HRM)

c. supply chain management (SCM)

d. finance and accounting

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

38. Which module of the ERP system includes applications for demand management, inventory management, distribution management, procurement, sourcing, and order management?

a. manufacturing

b. human resources management (HRM)

c. supply chain management (SCM)

d. finance and accounting

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

39. Which module of the ERP system includes applications that provide customers with sales quotes, schedule orders, print shipping labels, generate leads, and create sales literature?

a. finance and accounting

b. human resources management (HRM)

c. customer resources management (CRM)

d. supply chain management (SCM)

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

40. Which module of the ERP system includes tools for financial management, such as creating and adhering to budgets, cash-flow management, expense management, risk management, and tax management?

a. finance and accounting

b. human resources management (HRM)

c. customer resources management (CRM)

d. supply chain management (SCM)

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Enterprise Resource Planning (ERP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

41. Which of the following is a limitation of the ERP systems?

a. reduction in operating and administrative costs

b. creation of functional boundaries causing problems of accountability and confusion about the lines of responsibility

c. reduction in production and delivery lead times

d. provision of a real-time, enterprise-wide view of the business for faster and more effective decision-making

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Benefits and Limitations of ERP

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

42. Business in the \_\_\_\_\_\_ sector have to first assess their operations’ needs before selecting a specific ERP package.

a. manufacturing

b. service

c. mining

d. hospitality

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: ERP for Service Industries

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

43. \_\_\_\_\_\_ systems typically include modules that provide back-office support, customer relationship management, time management, expense management, resource management, and project management.

a. Service ERP

b. MRP

c. MRP II

d. DRP

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: ERP for Service Industries

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

44. Improved on-time delivery, improved quality performance, and improved supplier relations are benefits of \_\_\_\_\_\_ on supply chain performance.

a. service ERP systems

b. MRP systems

c. MRP II systems

d. DRP systems

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Impact of MRP, MRP II and ERP on Supply Chains

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

45. Improved availability of sufficient supplier capacity, improved accuracy of capacity plans, and paperwork reduction are benefits of \_\_\_\_\_\_ on supply chain performance.

a. service ERP systems

b. MRP systems

c. MRP II systems

d. DRP systems

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Impact of MRP, MRP II and ERP on Supply Chains

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

46. Distribution requirements planning (DRP) is also referred to as \_\_\_\_\_\_.

a. distribution resource planning

b. distribution replenishment planning

c. distribution replacement planning

d. distribution retail planning

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

47. Which of the following is NOT a benefit of the DRP system?

a. efficient inventory management

b. cost-efficient production process

c. unavailability of stock

d. meeting promised due dates

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

48. By generating accurate forecasts of demand, time-phased delivery schedules can be developed. This is the underlying idea behind the \_\_\_\_\_\_ system.

a. manufacturing resource planning (MRP)

b. manufacturing resource planning (MRP II)

c. enterprise resource planning (ERP)

d. distribution requirements planning (DRP)

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

49. The DRP process typically begins at the \_\_\_\_\_\_ level.

a. retail

b. customer

c. supplier

d. demand

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

50. DRP is a \_\_\_\_\_\_ system because demand at the retail level pulls the inventory and shipments through the supply chain

a. pull

b. push

c. proactive

d. continuous

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-5. Describe the features of a DRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

51. Which of the following statements is FALSE about using ERP systems to promote greater sustainability?

a. The integration of all facets of an enterprise can contribute to manufacturer’s sustainability efforts.

b. Standard ERP business modules can be integrated to support data from the many environmental sources that are affected by manufacturing activity.

c. Factoring in additional costs related to sustainable operations is always straightforward.

d. Vendors and users of ERP systems will need to consider how to rework their calculations for fixed assets, job costing, and many more applications in order to pursue sustainability.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Sustainability Issues

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

52. \_\_\_\_\_\_ is a system used by companies to systematically plan and control their logistics and product distribution activities through generating a time-phased, inventory-replenishment plan to manage and minimize inventories in the supply chain.

a. manufacturing resource planning (MRP)

b. manufacturing resource planning (MRP II)

c. enterprise resource planning (ERP)

d. distribution requirements planning (DRP)

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

53. Companies make capacity planning decisions for the medium-term through \_\_\_\_\_\_.

a. capacity requirements planning (CRP)

b. capacity Pareto planning (CPP)

c. production requirements planning (PRP)

d. distribution requirements planning (DRP)

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

54. DRP is used by companies to \_\_\_\_\_\_.

a. systematically plan and control their logistics and product distribution activities

b. manage inventory levels of finished products at distribution centers

c. ensure continuous improvement of the production process

d. integrate data across all functional areas

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-5. Describe the features of a DRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

55. DRP is similar to \_\_\_\_\_\_.

a. a process map

b. an assembly chart

c. MRP

d. Pareto analysis

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-5. Describe the features of a DRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

56. ERP systems provide \_\_\_\_\_\_.

a. a real-time integrated view of a company’s core business processes

b. a monthly report on the company’s core business processes

c. a quarterly report on the company’s core business processes

d. a daily report on the company’s core business processes

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

57. Which of the following statements is true with regard to a capacity requirements planning system and the MRP system?

a. A capacity requirements planning system operates in tandem with the MRP system.

b. A capacity requirements planning system operates in isolation from the MRP system.

c. Having both a capacity requirements planning system and an MRP system is redundant.

d. A capacity requirement planning system operates in parallel with the MRP system.

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-3. Describe an ERP system and its common modules, its benefits, and its drawbacks.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

58. Which of the following statements is true with regard to capacity planning over different time horizons?

a. Capacity planning for the long term is called capacity requirements planning.

b. Capacity decisions in the long term are referred to as capacity control.

c. Capacity planning for the medium-time range is called capacity requirements planning.

d. Capacity planning for the short term is called capacity requirements planning.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

59. To meet the end customer order due dates, it is the responsibility of the master scheduling and MRP system to ensure that \_\_\_\_\_\_.

a. purchase orders are issued with the right prices at which materials are to be purchased

b. production and purchase orders are issued with valid due dates

c. the right quantities of materials are specified

d. the right personnel are hired for the company

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

60. Which of the following is NOT one of the activities included under capacity planning?

a. resource planning

b. rough-cut capacity planning

c. finished products inventory planning

d. capacity requirements planning (CRP)

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

61. Which of the following is the primary concern of capacity control?

a. making sufficient capacity available to execute jobs identified by detailed scheduling

b. making sure there is sufficient inventory of raw materials available to execute jobs

c. making sure the right production sequence is identified

d. making sure the right production sequence is followed

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

62. In capacity requirements planning, we project or estimate \_\_\_\_\_\_.

a. the level of demand for each product that we are planning to produce

b. resource requirements for labor, equipment, and other production needs

c. the quantity of finished product to be stored in different distribution centers

d. the activities at each workstation to balance workload

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

63. In the context of a CRP system, a load represents \_\_\_\_\_\_.

a. the setup time plus run time required from a specific work center

b. the product of the setup time and the run time required from a specific work center

c. the ratio of the setup time to the run time required from a specific work center

d. the difference between the setup time and the run time required from a specific work center

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

64. The goal of CRP is to regulate both the flow of work orders and work center capacities in order to \_\_\_\_\_\_.

a. minimize production costs

b. maximize production volumes

c. minimize inventory of finished products

d. minimize load back-up with steady workflow

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

65. CRP systems, like MRP systems, are most useful for \_\_\_\_\_\_.

a. job-shop or batch production processes

b. continuous production processes

c. production of a single product

d. service operations

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

66. Which of the following is NOT a key input to a CRP system?

a. planned order releases from the MRP system

b. job times

c. inventory levels

d. routing information

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

67. The CRP system converts tentative planned shop orders into standard hours of load by \_\_\_\_\_\_.

a. assessing the levels of inventory of finished product, given the availability of raw materials

b. multiplying each period’s production quantity requirements by standard labor or equipment requirements per unit, or both

c. averaging the availability of resources per production hour

d. basing the calculations on the production volume from the preceding production period

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

68. When CRP loads all the work centers without regard to the actual capacity available in the work center, this type of loading is called \_\_\_\_\_\_.

a. inconsiderate loading

b. infinite loading

c. overloading

d. finite loading

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

69. An advantage of infinite loading is that it enables planners to \_\_\_\_\_\_.

a. see the impact that planned order releases will have on capacity required at work centers

b. adjust marketing efforts to match with available capacity

c. revise resource procurement to match with available capacity

d. relax any capacity constraints from production planning

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

70. When loading limits are set on the amount of load assigned to each work center per period, this is referred to as \_\_\_\_\_\_.

a. finite loading

b. limited loading

c. controlled loading

d. managed loading

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

71. When we use *lot splitting*, we \_\_\_\_\_\_.

a. divide a single lot into two or more sublots and process each sublot on similar work centers

b. divide a single lot into two or more sublots and manufacture each batch or sub lot in sequence

c. divide a single lot into two or more sublots and outsource the manufacture of one or more sublots

d. divide a single lot into multiple sublots and process each sublot on different work centers

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

72. Which of the following is NOT a consequence of lot splitting?

a. compresses lead time

b. reduces overloads

c. minimizes inventory

d. reduces the unit cost of production

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

73. Which of the following is NOT an acceptable way to increase capacity?

a. using overtime

b. transferring employees from idle work centers

c. subcontracting some of the work

d. reducing quality requirements

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

74. If it is not possible to increase capacity, then \_\_\_\_\_\_.

a. the master schedule needs to be revised

b. marketing efforts need to be reduced

c. prices have to be increased (so less product will be demanded)

d. a new facility will have to be built to meet the demand

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

75. If a master schedule has to be revised, then the manager may have to \_\_\_\_\_\_.

a. reassign priorities on some customer orders

b. cut corners on quality

c. reduce the quantity to be marketed

d. raise the pay for hourly workers

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

76. Which of the following is NOT one of the limitations of CRP systems?

a. CRP is primarily applicable to job-shop production.

b. It requires large amounts of input data.

c. It is useful only for products involving continuous processing such as in oil refineries.

d. It does not show the effect of master schedule revisions on achieving load balances.

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Capacity Requirements Planning (CRP)

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

77. Which of the following is FALSE about MRP II?

a. It is an extension of MRP.

b. It was first introduced in the late 1960s.

c. It was introduced as an open loop MRP system.

d. It quickly replaced CRP.

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resource Planning (MRP II)—An Extension of MRP

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

78. Which of the following statements about MRP II is true?

a. When it was introduced, MRP II did not have any provision for feedback.

b. It was introduced in the 1990s.

c. It was introduced to replace CRP.

d. It is replaced by DRP.

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 18s-2. Identify the features of an MRP II system and its benefits.

Answer Location: Manufacturing Resource Planning (MRP II)—An Extension of MRP

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

79. The process that enables a company to analyze the capabilities of its operations system to determine whether the company has enough capacity to meet a proposed production schedule for a specified time frame is called \_\_\_\_\_\_.

a. capacity requirements planning (CRP)

b. manufacturing resource planning (MRP II)

c. enterprise resource planning (ERP)

d. distribution requirements planning (DRP)

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

80. The amount of planned work scheduled and actual work assigned to a production facility for a specific period of time is called a \_\_\_\_\_\_.

a. sublot

b. load

c. batch

d. lot

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

81. The process of loading all the work centers without regard to the actual capacity available in the work center is called \_\_\_\_\_\_.

a. lot splitting

b. finite loading

c. infinite loading

d. batch manufacture

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

82. The process of setting loading limits on the amount of load assigned to each work center per period is called \_\_\_\_\_\_.

a. lot splitting

b. finite loading

c. infinite loading

d. batch manufacture

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

83. The division of a single lot into two or more sublots and the simultaneously processing of each sublot on identical (or very similar) work centers as separate lots is called \_\_\_\_\_\_.

a. lot splitting

b. finite loading

c. infinite loading

d. batch manufacture

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

84. The coordination of all activities related to production by providing consistent data to all participants involved in various stages of the production process is called \_\_\_\_\_\_.

a. manufacturing resource planning (MRP II)

b. an extension of CRP

c. CRP II

d. batch manufacture

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

85. Developing MRP plans and schedules by assuming infinite capacity and on-time, correct delivery of materials ordered by the suppliers is known as \_\_\_\_\_\_.

a. assumption-based manufacture

b. open loop MRP system

c. CRP II

d. batch manufacture

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

86. A system that enables plans to be adjusted according to capacity and other requirements by synchronizing material purchase and component production plans with the master schedule and by providing feedback on manufactured items and materials on hand is a \_\_\_\_\_\_.

a. closed loop MRP system

b. open loop MRP system

c. closed loop CRP system

d. open loop CRP system

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

87. A system that provides a real-time integrated view of a company’s core business processes through information sharing to tie together the critical components of an organization to achieve cross-functional collaboration is known as \_\_\_\_\_\_.

a. CRP

b. ERP

c. MRP II

d. DRP

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

88. A system used by companies to systematically plan and control their logistics and product distribution activities through generating a time-phased inventory-replenishment plan to manage and minimize inventories in the supply chain is known as \_\_\_\_\_\_.

a. DRP

b. ERP

c. MRP II

d. CRP

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Key Terms

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

89. Which of the following is NOT a beneficial effect of MRP on a company’s supply chain performance?

a. improved on-time delivery

b. improved quality performance

c. improved supplier relations

d. improved raw material costs

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Impact of MRP, MRP II, and ERP on Supply Chains

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

90. Distribution requirements planning (DRP) is also known as \_\_\_\_\_\_.

a. distribution resource planning

b. distribution relationship planning

c. demand resource planning

d. demand relationship planning

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

91. The DRP process typically begins \_\_\_\_\_\_.

a. at an intermediate point in the production process and then spreads outward

b. at the retail level (the farthest point of the outbound supply chain network)

c. at the supplier level (the point where resources are procured)

d. at the production design process

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

92. Which of the following statements is true with regard to DRP?

a. DRP is a push system because we start with the earliest stage in production and push products to the customer.

b. DRP is a pull system because demand at the retail level pulls inventory and shipments through the supply chain.

c. DRP is a push system because we make extensive use of demand forecasts to determine our capacity requirement.

d. DRP is a pull system because we start with the earliest stage in production.

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Distribution Requirements Planning (DRP)

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

93. Which of the following is NOT a question we ask in relation to DRP in the context of sustainability?

a. What products should we make?

b. When should we schedule production?

c. What processes maximize both efficiency and sustainability?

d. What are the minimum sustainability requirements we need to meet to enhance profitability?

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Sustainability

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

94. MRP II extends the closed loop MRP system by adding different modules. Which of the following is NOT one such module?

a. finance planning

b. human resources planning

c. cost and revenue inputs

d. product features and enhancements

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Sustainability

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

95. Which of the following is NOT a common module in an ERP system?

a. manufacturing

b. human resources management

c. supply chain management

d. government relations management

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Figure 18S.4: Common Modules in an ERP System

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

96. Which of the following is NOT an application included in the human resource management module in an ERP system?

a. packaging design

b. payroll

c. time and labor tracking

d. benefits administration

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Figure 18S.4: Common Modules in an ERP System

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

97. Which of the following is NOT an application included in the supply chain management module in an ERP system?

a. demand management

b. distribution management

c. inventory management

d. price management

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Figure 18S.4: Common Modules in an ERP System

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

98. Which of the following is NOT an application included in the finance and accounting module in an ERP system?

a. general ledger entry

b. accounts receivable and accounts payable

c. fixed asset management

d. building maintenance

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Figure 18S.4: Common Modules in an ERP System

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

99. The module in ERP that includes product differentiation and industry specific functionality is \_\_\_\_\_\_.

a. the manufacturing module

b. the human resource management module

c. the supply chain management module

d. the customer relationship management module

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Figure 18S.4: Common Modules in an ERP System

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

100. Which of the following is NOT an application included in the customer relationship management module in an ERP system?

a. placing orders

b. scheduling orders

c. managing direct mailing campaigns

d. product packaging design

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 18s-1. Describe the features of a CRP system.

Answer Location: Figure 18S.4: Common Modules in an ERP System

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution