



**THE OPEN UNIVERSITY OF SRI LANKA  
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC  
ADMINISTRATION**

**FINAL EXAMINATION – April 2021**

**MCP1654 / MSP3654 QUALITY MANAGEMENT**

**Duration: Three (03) hours**

**DATE: 24<sup>th</sup> April 2021**

**TIME: 1.30 PM – 4.30 PM**

**Instructions:**

- \* **Answer Question No. one (1) and any four (4) Questions from the others. (Total five (5) questions must be answered).**
- \* **Write your index number on every page.**
- \* **Your answers should be methodical and legible. Cite suitable Sri Lankan examples where necessary.**
- \* **Draw clearly labelled diagrams wherever necessary.**
- \* **This question paper has 7 questions.**

**Question 1 (Compulsory Question)**

*Read the following 'Peter John' and answer the question given below.*

Peter John is an airline ticketing company and has thirty (30) permanent staff. The company engages in airline reservation work as the main area of operations. The company also organizes packaged tours for different countries and each group is limited to thirty (30) maximum. Before COVID 19 pandemic the company had done very well in the packaged tours and those trips became very popular.

Company makes airline reservations through a world recognized seat reservation software platform and the packaged tours are handled using a simple reservation software program but most of the activities are done manually.

The following table indicates the revenue from each product in LKR millions.

Table 1. Revenue of Peter John (LKR millions)

Year	2016	2017	2018	2019
Airline Reservations	3.5	4.8	9.6	10.3
Package Tours	2.1	3.3	8.6	12.5
Total	5.6	8.1	18.2	22.8

Because of the Covid 19 pandemic situation the CEO decided to revamp the activities of the company and to get ready for the future by keeping the same staff by paying the initial salary. As an initial work, CEO requested one officer to analyze the complaint register and to tabulate the summary of complaints. The officer analyzed the last four years complaint logs and submitted a report to the CEO.

Table 2. Summary of Complaints

Complaint Category	Service Quality	Claims	Customer Receiving	Delivery Delays	Response Delays	Status (Total not resolved)
2016	26 (6 T)	11 (3 T)	02 (0 T)	156 ( 28T)	26 (9 T)	34 (15 T)
2017	35 (11 T)	16 (5 T)	07 (1 T)	21 (6 T)	29 (16 T)	32 (17 T)
2018	56 (20 T)	31 (11T)	17 (3 T)	17 (3 T)	37 (11 T)	81 (24 T)
2019	72 (30 T)	42 (16T)	21 (7 T)	34 (16 T)	56 (13 T)	125 (48 T)

\* Note: T denotes the complaints related to airline reservation (ticketing)

When the statistics were reviewed CEO got worried as he noticed that in all different areas the customer complaints have been increasing and a considerable number of complaints are still pending. After going through the complaints, the CEO decided to use the talents of employees to improve the operational aspects of the activities and formed two separate teams and divided the tasks as stated in the above table. First three categories were given to one team and the rest were given to the other team. CEO appointed a team leader for each team and requested to come out with a strong plan of action to minimize or eliminate those complaints made against the company. He conducted an awareness session on Quality Management techniques for both teams by sharing his previous experiences and hinted useful areas to be considered when preparing the improvement plans. He further said that the teams can consider those experiences in making their plan of action.

- a) Briefly explain why CEO has selected to look for customer complaints as part of the improvement of company activities? (6 marks)
- b) Describe the roles and responsibilities of each team leader to make the project a success? (6 marks)
- c) If you are the team leader of the activities of first three categories, will you give equal weightage for each category when preparing your recommendations? Explain giving reasons. (8 marks)

### **Question 2**

- a) "Quality is customer delighters". Explain. (6 marks)
- b) State any other definition of quality and briefly describe it. Do you consider this definition is still applicable in today's context? Explain why. (7 marks)
- c) Given below is an advertisement displayed in front of some fruits in a supermarket. *"30% off from the price given in the rack for these fruits"*.

What definition of quality is implied by this consumer advertisement? Justify your answer. (7 marks)

### **Question 3**

- a) What are major components of the Costs of Quality? (4 marks)
- b) Explain three items that can be considered under "prevention cost" in a manufacturing company. (8 marks)
- c) Explain why the measurement of failure costs is important for any organization. (8 marks)

### **Question 4**

- a) Briefly explain what is 'ISO 9001 Quality Management System'. (6 marks)
- b) Briefly describe what benefits that an organization can accrue from practicing ISO within an organization. (6 marks)
- c) Explain why "Top Management Commitment" is important for the implementation of ISO 9001 Quality Management System. (8 marks)

**Question 5**

- a) Briefly explain the meaning of six sigma. (5 marks)
- b) Explain meaning of “DMAIC” and its application with an example.” (10 marks)
- c) Explain why ‘six sigma’ is important to any organization. (5 marks)

**Question 6**

- a) Briefly explain the meaning of “Total Quality Management”. (5 marks)
- b) Explain the importance of “team concept” in a TQM environment with an example”. (10 marks)
- c) Explain why TQM implementation may not be successful in organizations citing five ‘reasons for failure in implementation. (5 marks)

**Question 7**

- a) Briefly explain the importance of Quality Control activities of an organization. (5 marks)
- b) Explain the difference between Quality Control and Quality Assurance using an example. (10 marks)
- c) Explain the meaning of ‘Continual Improvement’ related to quality management. (5 marks)

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