

The Open University of Sri Lanka
Certificate in Small Business Management and Entrepreneurship
Final Examination – 2008/2009
Introduction to Operations Management (MCC- 1105)
Duration – Two (2) Hours



DATE: 21st December 2008

TIME: 10.00 a. m- 12.00 noon

Answer any four (4) questions. All questions carry equal marks.

Q1)

- a. Assume that you are an entrepreneur engaging in small scale manufacturing. Briefly explain how the knowledge of operations management would be useful to you? (12 Marks)
- b. Currently in Sri Lanka, emerging entrepreneurs are confronting many problems. Discuss current operations related problems faced by small scale manufacturers in Sri Lanka. (13 Marks)

Q2)

- a. Success of any production system depends on the way its is planned, organized and controlled. Select any production familiar to you and describe how you would plan, organize and control the particular production system. (12 Marks)
- b. Product development consists of activities such as product designing and engineering. Briefly describe how you would engineer the design that you have made for any product you are familiar with. (13 Marks)

Q3) Explain the importance of market (demand) information to a manufacturer. Also describe the possible sources you can apply to collect information about the market. (25 Marks)

Q4)

- a. All the manufacturers are highly concerned over the productivity of their organizations. Assume that you are going to establish a small scale dairy farm and discuss how you can ensure maximum productivity in that organization. (10 Marks)
- b. Following cost details are furnished for the production of a bottle of mango cordial. You are required to prepare the cost estimation sheet for one bottle of mango cordial.
 - Mangoes used– 2 mangoes of Rs.20/= each.
 - Labor hours employed - 2 labors have to work and each of them has to work for 2.5 hours. Wage rate is Rs.25/= per each labor hour employed.
 - Other costs incurred for a bottle of mango cordial
 - Power and energy charges Rs.30 /=
 - Other production expenses Rs.25/=(12 Marks)
- c. If the manufacturer of Mango cordial mentioned in 4) b adds a profit margin of 50% with the production cost, determine the selling price. (3 Marks)

Q5) Write short notes on any **five (5)** from the following

- a. Growth trends of operations management
- b. Process design
- c. Work measurement
- d. Make or Buy decision
- e. Production control systems
- f. Plant layout decisions

(5 each x 5 = 25 Marks)