



**THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC ADMINISTRATION PROGRAMME
FINAL EXAMINATION 2012/2013
MCP1654 – QUALITY ASSURANCE MANAGEMENT**

DURATION THREE (03) HOURS

DATE: 15TH DECEMBER 2013

TIME: 9.30 AM to 12.30 PM

INSTRUCTIONS:

- Answer question number 01 – case study (compulsory) and any 03 questions from others.
- Altogether 04 questions to be answered.

Q1: (Compulsory questions.)

THE CASE OF QUALITY AT ABC COMPANY

ABC Company recently discovered that the costs due to shipment of defective items had risen to an alarming level. To correct the situation, they decided to implement a quality assurance program. Previously, all inspection was done by workers on their own, as a part of routine work. Because of the lack of formal education in quality assurance for the present employees and managers, it was decided to form a team of recent college graduates for quality assurance programs. (QAP)

The team which was formed was given the responsibility of reducing the percentage of defective items being produced to half of the present level in one month.

Problems, however, began to crop up immediately. Conflicts arose between the inspectors of the QAP and the workers. Some of the older employees felt they were being insulted whenever a quality problem was traced in relation to their work. This resentment often resulted in their work deteriorating further instead of improving. Other workers believed they were being wrongly accused of shoddy workmanship. Some even accused the inspectors of actually making defects in their work so that they could claim they had found a problem spot (defect) and hence, look good in the eyes of the QAP manager.

Monitoring reports after the first month showed that the quality level had actually worsened. Management felt that perhaps they had introduced the quality assurance program improperly.

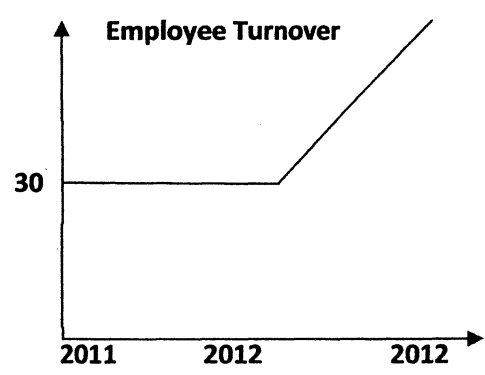
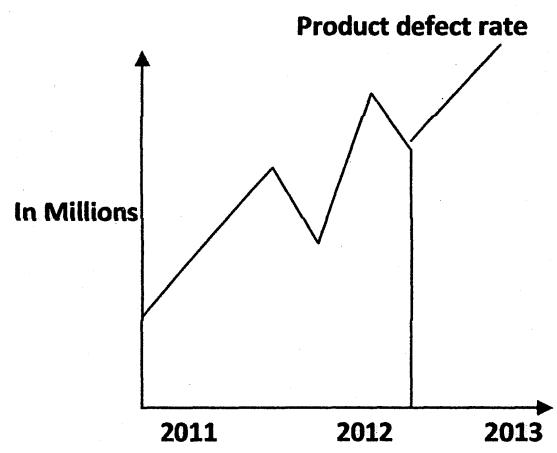
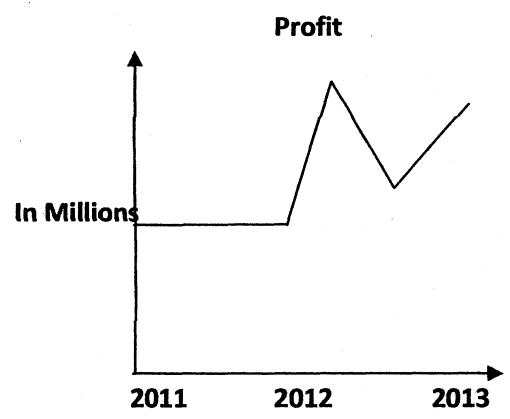
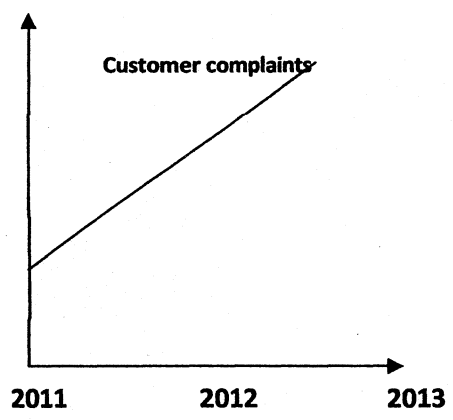
Discussion Questions:

- (a) Explain what errors do you feel that ABC Company made in the implementation of QAP? (10 Marks)
- (b) What remedial actions would you pursue to improve the present situation? Justify your proposed actions. (18 Marks)

Q2: a) Explain what is meant by ISO 9001.

(10 Marks)

b) An Organization has obtained ISO 9001 certification in the year 2010 and it is a requirement to renew the certification every 3 years period. Therefore it has to be renewed in 2013. However, it is a company policy to obtain the CEO's approval to renew the certification and therefore it was submitted to the CEO with the following information enabling CEO to make a decision.



If you are the CEO who receives the above Reports, what kind of decisions will you take for the renewal of ISO 9001 certification? Justify your case, based on the details of reports. (14 Marks)

Q3: a) Explain the meaning of Total Quality Management (TQM) in your own words. (08 Marks)

b) Using an example explain why an organization should consider developing TQM concepts. (08 Marks)

c) If an organization wants to proceed in developing a TQM system, they can consider Sri Lanka National Quality Award(NQA) as a model, and the same can be used to achieve that goal. In that NQA model one of the important requirements is "Business Results". Discuss why "Business Results" is important in a TQM environment. (08 Marks)

Q4: a) 'There is a saying that 80% mistakes are made by Managers and contribution to that from support staff is 20%.' Do you agree with this statement? Justify your answer with examples.

(08 Marks)

b) 'Top Management of an organization believes that improving quality of products is a costly business and therefore there is no need to consider quality as a part of the main activities'. Do you agree with this statement? Explain your answer with suitable examples.

(08 Marks)

c) Explain why the understanding of Quality Tools is required by the employees of an organization?

(08 Marks)

Q5: a) What is meant by Quality Management? Explain. (08 Marks)

b) "Quality and financial performance are intimately related." Do you agree? Explain your answer. (08 Marks)

c) Explain why it is important to have a Quality Assurance System within an organization? (08 Marks)

Q6: a) Describe the Costs of Quality. (08 Marks)

b) Explain Cost Categories. (08 Marks)

c) Indicate how Prevention Cost will help to address bottom line of the organization?(08 Marks)