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

FINAL EXAMINATION 2016

QUALITY ASSURANCE MANAGEMENT MCP1654

DURATION THREE (03) HOURS

DATE: 9th July, 2016

TIME: 1.30pm - 4.30pm

INSTRUCTIONS

- Answer Five (05) questions including question (Q1) (compulsory question).
- Write legibly and be focused.
- Question No.1 carries 28 marks and questions in Part-B carries 18 marks each.

Part A – Compulsory question.

Q1.

Read the following and answer questions given below.

A Tale of Two Restaurants

Tim Kelly founded Kelly's Seafood Restaurant about 15 Years ago. The restaurant is very profitable because of its excellent quality of good, but later has been having problems because of 'consistency' of supplies of numerous suppliers. The restaurant operations are divided into front-end (servers) and back- end (kitchen). The kitchen has 'post-it' notes to boost employee morale, employee are cross-trained in all areas, and the kitchen staff continually seeks improvements in cooking. Servers; however, is a bit of a problem. Tim's primary criterion for selecting servers is their ability to show up on time. Little communication takes place between the front-end and back end operations, other than fulfilling orders. Tim makes sure that the servers refer any complaints to him immediately.

The restaurant uses no automation, because Tim believes it would get in the way of customers' special requests. "This is the way we've done it for the past 15years and how we will continue to do it" was his response to speed up orders and eliminate delays. Tim formerly held staff meetings regularly, but recently went from one each week to one in every five or six months. Most of his time is spent focusing on negative behavior, and he can often be heard to say "you can't find good people anymore".

Jim's Steak House is a family – owned restaurant in the same district. Jim used only the freshest meats and ingredients from the best suppliers and gives extra-large portions of food to customers so they feel they are getting their money's worth. Jim pays his cooks high wages to attract quality employees. Servers get 70 percent tips, busses 20 percent and the kitchen staff 10 percent to foster teamwork.

Many new recruits come from referrals from current employees. Jim interviews all potential employees and asks them many pointed questions relating to courtesy, responsibility and creativity. The restaurant sponsors bowling night, golf outings, picnics, and holiday parties for its employees. At Jim's birthday customers receive a free dinner, children are welcomed with balloons, candy and crayons and big screen TVs cater to sports fans. Jim walks around and many other restaurants to study their operations and learn new techniques. As a result of these visits, Jim installed computers to schedule reservations and enter orders to the kitchen.

Questions

- (i) Contrast these two restaurants from the perspective of total quality management (TQM). How do they exhibit or not exhibit the fundamental principles of TQM? Explain. (14 marks)
- (ii) Give your recommendations to the owners with justifications for them. (14 marks)

Part B - Answer any Four (04) questions from the following

Q2.

- (i) Explain the definitions of quality. Does a single definition is sufficient for an organizational environment? Explain. (06 marks)
- (ii) Describe the difference between improvement and learning in the perspective of quality assurance and management. (06 marks)
- (iii) What did Philip Crosby mean by "Quality is Free"? Explain. (06 marks)

Q3.

- (i) Explain the concept and practices of Total Quality Management in organizations. (06 marks)
- (ii) Explain the role of Quality in improving the profitability of a firm. (06 marks)
- (iii) Explain how quality management supports the achievement of competitive advantage of an organization. (06 marks)

Q4.

- (i) Explain the meaning of 'Six Sigma' in the context of quality management. (06 marks)
- (ii) Describe the Six Sigma problem-solving approach of DMAIC improvement cycle. (06 marks)
- (iii) Does Six Sigma a practical concept? Explain using examples. (06 marks)

Q5.

- (i) Explain the following two parts of Demings' 14 points that support organizational development.
 - a. Drive out fear (04 marks)
 - b. Institute Training (04 marks)
- (ii) Explain "Continual Improvement" in the perspective of quality. (05 marks)
- (iii) "Continual Improvement" is the practical approach for organization to proceed in journey of excellence". Do you agree with this statement? Explain why or why not. (05 marks)

Q6.

- (i) Explain the different cost categories pertaining to quality. (06 marks)
- (ii) Critically examine the relationship between cost of quality and cost of production. (06 marks)
- (iii) With examples, explain the need for measuring different categories of cost of quality. (06 marks)

Q7.

- (i) "ISO 9001 Quality Management is a product standard." Do you agree with this statement? Explain. (06 marks)
- (ii) You are requested by your Managing Director to develop a TQM system within your organization. Discuss how you proceed in developing such a system. Explain the potential barriers to implement a TQM system. (08 marks)
- (iii) Explain "Customer Focus" related to quality management with suitable examples. (04 marks)

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