THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES
BACHELOR OF MANAGEMENT STUDIES HONOURS
OSU4575 - OPERATIONS MANAGEMENT
FINAL EXAMINATION – 2024 / 2025
DURATION – THREE (03) HOURS

Date: 06th January 2026 *Time: 9.30 AM- 12.30 PM*

INSTRUCTIONS:

- Answer **Question 1 (compulsory) and any three other questions, totaling four questions.**
- Illegible handwriting may cost marks.
- This question paper has five (05) questions in three (03) pages.

Question 01

a) Using suitable examples explain main four (4) competitive priorities that every business organization tries to achieve. (10 Marks)

b) Explain four (4) types of "Cost of quality" with suitable examples. (10 Marks)

c) Calculate the EOQ and re-order level using the following.
Monthly demand = 600 units
Operating days per year = 360
The cost to place an order = Rs 150/=
Holding cost per unit per year = Rs 100/=
Lead time = 10 days
Cost per unit = Rs 200/= (10 Marks)

d) "PureCeylon Beverages (Pvt) Ltd." is planning to establish a medium-scale bottled fruit juice manufacturing plant targeting both local and regional export markets. The management seeks your guidance in selecting the most suitable location for this new facility.
What key factors should PureCeylon consider when selecting the most suitable location? With justification, describe the factors you would evaluate when selecting an appropriate location and site for setting up the fruit-juice manufacturing plant. (10 Marks)

(Total 40 Marks)

Question 02

a) Identify and describe the difference between order winner and order qualifier with suitable real-world examples. (04 Marks)

b) Assume that you are planning to introduce a new product to the market. As an operations manager, you are required to design this product effectively. Based on your knowledge of Operations Management, identify and briefly explain four key product design criteria that should be considered in this process. (08 Marks)

c) Assume that you are planning to start an apparel manufacturing company and describe the importance of knowledge of operations management for the success of your new business. (08 Marks)

(Total 20 Marks)

Question 03

You are the Operations Manager of "PureLife Bottlers (Pvt) Ltd," a medium-scale company that produces bottled drinking water for the Sri Lankan market. Recently, the company has received several customer complaints about inconsistent taste and defective bottle caps. In response, management has decided to review its production and quality management practices to ensure higher product standards and customer satisfaction.

a) Based on the above scenario, describe the difference between quality of design and quality of conformance in relation to PureLife Bottlers (Pvt) Ltd. (04 Marks)

b) Identify and briefly explain the key elements of Total Quality Management (TQM) that the company should adopt to improve product and process quality. (08 Marks)

c) Discuss the main objectives of quality control and explain how achieving these objectives could help PureLife Bottlers (Pvt) Ltd. To reduce customer complaints and improve overall performance. (08 Marks)

(Total 20 Marks)

Question 04

You are planning to start "Sky Cafe," a small coffee shop located in the heart of Colombo. The cafe will serve freshly brewed coffee, snacks, and light meals while offering a cozy environment for customers to relax, study, or work. You also plan to introduce an online ordering option for takeaway and delivery. To ensure smooth service delivery and customer satisfaction, it is important to understand the unique characteristics of services and plan the service process effectively.

a) Based on the above scenario, identify and describe the characteristics of services compared to manufacturing goods. Provide suitable examples to support your answer. (08 Marks)

b) Explain the importance of service blueprinting in planning and managing the operations of Sky Cafe. (12 Marks)

(Total 20 Marks)

Question 05

You are starting "TrendyWear Apparel (Pvt) Ltd," a small apparel company producing casual and semi-formal clothing for local retailers and online customers. You need to choose suitable manufacturing process types for different clothing lines and manage raw materials and finished garments effectively.

a) Describe any four (4) types of manufacturing processes and identify most suitable manufacturing process for TrendyWear Apparel (Pvt) Ltd. Justify your opinion. (10 Marks)

b) Explain the purpose of inventory management and why managing inventory is important for TrendyWear Apparel (Pvt) Ltd. (10 Marks)

(Total 20 Marks)

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