**POSTTEST**

**Directions:** Identify the correct answer to each of the following questions. Use a separate sheet of paper to record your responses.

**Objective A**

 1. What is production?

 a. The selection of inputs for making outputs

 b. The process of assembling the factors of production

 c. The conversion process that results in time utility

 d. The creation of goods and services from economic resources

 2. Which of the following is an example of production:

 a. Reading a new novel c. Providing home security

 b. Purchasing food items d. Answering your home telephone

 3. The specific resources used in a company’s production are called

 a. inputs. c. outputs.

 b. consumer goods. d. conversion processes.

 4. In production, the purpose of the conversion process is to

 a. control the costs of production. c. turn inputs into products.

 b. find markets for the firm’s products. d. turn outdated products into new ones.

 5. What kind of conversion process is being used in an automated assembly line that produces soft drinks?

 a. Batch c. Unit

 b. Labor-intensive d. Capital-intensive

 6. Which of the following outputs is considered an industrial good:

 a. A freezer purchased by a restaurant owner

 b. A gallon of milk purchased by a family

 c. A textbook purchased by a college student

 d. A sewing machine purchased for home use

 7. One of the benefits of production to consumers is that production

 a. makes use of automation. c. creates form utility.

 b. provides a way to earn profits. d. provides a way to be competitive.

**POSTTEST** (cont’d)

 8. Why is production important to businesses?

 a. It enables businesses to charge high prices.

 b. It eliminates competition.

 c. It creates goods and services businesses can sell.

 d. It informs businesses about consumers’ needs and wants.

 9. Efficient production enables businesses to

 a. charge higher prices than competitors.

 b. obtain advance orders for goods and services.

 c. make an accurate forecast of sales.

 d. turn out the most products at the least cost.

**OBJECTIVE B**

 10. Which of the following is a true statement about production activities:

 a. They vary depending on the product being created.

 b. Most are considered difficult tasks.

 c. They are not necessary for the success of the business.

 d. They rely solely on capital resources.

 11. Planning the quantities to produce is an important part of production planning because it
helps to

 a. prevent losses to the business. c. increase consumer demand for the product.

 b. sequence the steps in production. d. locate the resources needed for the product.

 12. The production activity used to obtain all the resources needed for production to take place is

 a. routing. c. purchasing.

 b. scheduling. d. dispatching.

 13. An intermittent production process is a method of production in which

 a. the process stops and then restarts.

 b. robots carry out the repetitive tasks.

 c. the process turns out products without stopping.

 d. production equipment is controlled by computers.

 14. What type of production would most likely be used to produce prescription glasses?

 a. Unit c. Mass

 b. Batch d. Robotic

**POSTTEST** (cont’d)

 15. Which of the following is a characteristic of mass production:

 a. It is considered inefficient. c. It produces one-of-a-kind items.

 b. It often uses assembly lines. d. It is primarily used for small quantities.

 16. Why is routing an important production activity?

 a. Routing establishes company standards.

 b. Routing issues orders for production to start.

 c. Routing establishes a timetable for production.

 d. Routing establishes the production path of inputs.

 17. Employees who are involved in production scheduling are responsible for

 a. obtaining the resources needed in production.

 b. issuing orders for production activities to begin.

 c. establishing the path inputs take through production.

 d. estimating how long each step in production will take.

 18. Which production activity issues work orders telling employees what their job assignments are?

 a. Routing c. Scheduling

 b. Dispatching d. Following up

 19. Which of the following is a follow-up activity in production:

 a. Projecting sales for the company’s products

 b. Making sure that production deadlines were met

 c. Estimating the number of steps in the production process

 d. Making sure that production steps follow proper sequence

 20. Why do many businesses follow up after production to ensure that products meet standards set by outside organizations?

 a. To estimate future sales

 b. To determine raises for production workers

 c. To create dispatches

 d. To remain competitive