

**The following topics will be reviewed on final exam:****CH 1**

1. What the definition of total cost? (pg. 10)
  - a. "all relevant activities in moving and storing products"
2. What is the definition of place utility? (pg. 3)
  - a. "refers to having products available where they are needed by customers; products are moved from points of lesser value to points of greater value."
3. What is the definition of accumulating? (pg. 15)
  - a. "bringing together similar stocks from different sources."
4. What is the most costly activity of logistics? (pg. 18)
  - a. "Transportation can account for up to 50 percent of a firm's total logistics costs and thus represents the most costly logistics activity in many organizations."
5. What is the definition of landed cost? (pg. 13)
  - a. "price of a product at the source plus transportation costs to its destination"
6. What is the definition of postponement? (pg. 12)
  - a. "the delay of value added activities such as assembly, production, and packaging until the latest possible time"
7. What is the definition of a cost trade-off? (pg. 10)
  - a. "changes to on logistics activity cause some costs to increase and others to decrease."
8. What is the definition of physical distribution? (pg. 9)
  - a. "storage of finished product and movement to the customer."

**CH 5**

9. What point of view should companies adopt for supply chain management? (pg. 78)
  - a. "successful SCM requires companies to adopt an enterprise-to-enterprise point of view..."
10. How many processes are included in the Global Supply Chain Forum model? (79)
  - a. "The GSCF model comprises eight processes"
  - b. "customer relationship management, supplier relationship management, customer service management, demand management, order fulfillment manufacturing flow management, product development and commercialization and returns management."
11. What the definition of leagility? (pg. 81)
  - a. "hybrid approach used in practice, sometimes referred to as legality, combines aspects of both lean and agile as a way to focus part of one's supply chain on a timely response to fluctuating customer orders and/or product variety and another part of the supply chain on leveling out the planning requirements to smooth production output."
12. What is the definition of a partnership? (pg. 89)
  - a. "supply chains are integrated by having various parties enter into and carry out long-term mutually beneficial agreements...to include partnerships..."
13. What is the definition of the bullwhip effect? (pg. 81)
  - a. "characterized by variability in demand orders among supply chains members-the end result of which is inventory lumps."
14. What is the general idea behind third party logistics usage? (pg. 85)
  - a. "there is no commonly accepted definition of third-party logistics...suggesting that any logistics activities not performed in-house is representative of third-party logistics."
15. What is the definition of supply chain? (pg. 77)
  - a. "can be liberally viewed as a combination of processes, functions, activities, relationships, and pathways along with products, services, information, and financial

transactions move in and between enterprises from original producer to ultimate end-user or consumer."

16. When did the supply chain concept develop? (pg. 77)
- "since the early to mid-1990s academics, practitioners and industry associations have suggested a number of definitions for both a supply chain and SCM."

**CH 6**

17. What is the third step of the supplier selection and evaluation process? (pg. 97)
- "Identify and Evaluate Potential Suppliers"
18. What is the advantage of single sourcing? (pg. 97)
- "consolidates purchase volume with a single supplier with the hopes of enjoying lower costs per unit and increased cooperation and communication in the supply relationship"
  - "for some smaller buyers, single sourcing might actually reduced their alternative and ultimately raise the price they pay"
19. What is procurement's historical focus? (pg. 94)
- "...traditionally viewed as transactional in nature"
20. What is the definition of procurement? (pg. 94)
- "the raw materials, component parts, and supplies bought from outside organization to support a company's operations"
21. What are the categories of products in Kraljic's Portfolio Matrix? (pg. 98-99)
- "noncritical, leverage, strategic, bottleneck"

**CH 7**

22. What is the final phase of the order cycle? (pg. 117)
- "the final phase of the order cycle is order delivery"
23. What are the dimensions of customer service? (pg. 119-120)
- "Time, Dependability, Communication, Convenience"
24. What is the definition of customer profitability analysis? (pg. 124-125)
- "the allocation of revenues and costs to customer segments or individual customers to calculate the profitability of the segments or customers."
25. What is the definition of order management? (pg. 113)
- "management of the various activities associated with the order cycle"
26. What is the definition of time series forecasting? (pg. 111)
- "future demand is solely dependent on past demand"
27. What is the definition of judgmental forecasting? (pg. 1113)
- "using judgment or intuition and is preferred in situations where there is limited or no historical data, such as with a new product introduction"

**CH 8**

28. What is the definition of shrinkage? (pg. 134)
- More items are recorded entering than leaving warehousing facilities"
29. What is the definition of the economic order quantity (EOQ)? (pg. 138)
- "The most economic order size"
  - Calculating the property order size with respect to... the costs of carrying the inventory and costs of ordering the inventory"
30. What are the assumptions of the economic order quantity (EOQ)? (pg. 138)
- "continuous, constant and known rate of demand"
  - A constant and known replenishment or lead time
  - A constant purchase price that is independent of the order quantity
  - All demand is satisfied (no stockouts allowed)
  - No inventory in transit
  - Only one item in inventory or no interaction between inventory items
  - An infinite planning horizon

- h. Unlimited capital availability"
- 31. What is the definition of ABC analysis of inventory? (pg. 142)
  - a. "inventories are not equal value to a firm and that, as a result, all inventories should not be managed in the same way"
- 32. What is the definition of a substitute product? (pg. 144)
  - a. "products that can fill the same need or want as another product"
- 33. What is the definition of inventory? (pg. 131)
  - a. "stocks of goods and materials that are maintained for many purposes, the most common being to satisfy normal demand patterns"

**CH 9**

- 34. What is the key locational determinant influencing facility location? (pg. 158)
  - a. "labor is a primary concern in selecting a site for manufacturing, processing, assembly, and distribution"
- 35. What tax is of interest to logisticians and supply chain managers? (pg. 159)
  - a. Of particular interest to logisticians and supply chain managers is the inventory tax, analogous to personal property taxes paid by individuals"
- 36. What is the definition of right to work laws? (pg. 158)
  - a. "an individual cannot be compelled to join a union as a condition of employment"
- 37. What are quality of life considerations? (pg. 162)
  - a. "nonbusiness factors into the business decision of where to locate a plant or distribution facility"
  - b. "include cost of living, education opportunities, crime rates, employment opportunities, the weather, and cultural amenities"

**CH 10**

- 38. What is a substitute for warehousing? (pg. 173)
  - a. "warehousing...at and between points of origin and points of consumptions and transportation are substitutes for each other"
- 39. What do warehouses emphasize and what is their primary purpose? (pg. 174)
  - a. "emphasize the storage of products, and their primary purpose is to maximize the usage of available storage space"
- 40. What is the biggest drawback of public warehousing? (pg. 176)
  - a. "the potential lack of control by the user"
- 41. What is the impact to building and warehouse equipment costs when building up (vertical)? (pg. 179)
  - a. "although building costs decline on a cubic-foot basis as one builds higher, warehousing equipment costs tend to increase"

**CH 12**

- 42. How many modes does transportation have? (pg. 211)
  - a. 7
  - b. "air
  - c. Highway
  - d. Pipeline (oil)
  - e. Broad-gauge
  - f. Standard-gauge
  - g. Narrow-gauge
  - h. Water (inland)"
- 43. Which mode accounts for the largest share of ton-miles and which mode accounts for the majority of the revenue? (pg. 212)
  - a. "although railroads still have the largest are of ton miles, motor carriers now account for the majority of freight revenues"
- 44. What is the primary basis/concern related to hours of service (HOS)? (pg. 215)