INSTRUCTIONS TO THE CANDIDATES

- ALL the questions are compulsory and MUST be answered.
- Use only PEN for writing answers.
- Double answers will not carry any marks.

<table>
<thead>
<tr>
<th>Level: Advanced Diploma (Accounting)</th>
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<tbody>
<tr>
<td>Date &amp; Day</td>
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<thead>
<tr>
<th>Type of Questions</th>
<th>Allocated Marks</th>
<th>Secured Marks</th>
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<tbody>
<tr>
<td>I. True or False Questions</td>
<td>10</td>
<td></td>
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<tr>
<td>II. Multiple Choice Questions</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>III. Short Questions</td>
<td>16</td>
<td></td>
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<tr>
<td>IV. Analytical Questions</td>
<td>14</td>
<td></td>
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<td>TOTAL MARKS</td>
<td>50</td>
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TOTAL SECURED MARKS IN WORDS ________________________

Marked by : ____________________________
Signature : ____________________________
Date : ____________________________

Verified by : ____________________________
Signature : ____________________________
Date : ____________________________
I. True or False Questions. *Suggested time: 20 minutes* (10 x 1 = 10 Marks)

Put a tick mark [✓] to the word “True” if the statement is correct, and to the word “False” if the statement is wrong.

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<tbody>
<tr>
<td>1. The design of a new product consists of initial, mid and final stage of a product.</td>
<td>True</td>
<td>False</td>
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<td>2. Plant Layout is concerned with optimum arrangement of the storage space.</td>
<td>True</td>
<td>False</td>
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<td>3. Regular servicing at pre-planned intervals is known as Preventive maintenance.</td>
<td>True</td>
<td>False</td>
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<td>4. Creating and maintaining quality improvement training programs are optional.</td>
<td>True</td>
<td>False</td>
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<td>5. Direct poor quality cost element is repair cost after warranty period.</td>
<td>True</td>
<td>False</td>
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<tr>
<td>6. After goods have been manufactured, route sheets and operation layouts are transferred to suppliers.</td>
<td>True</td>
<td>False</td>
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<td>7. Production Planning and Control department act as a link between company’s sales and manufacturing department.</td>
<td>True</td>
<td>False</td>
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<td>8. The process of changing inputs into outputs thereby adding some value to entity can be defined as operation.</td>
<td>True</td>
<td>False</td>
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<tr>
<td>9. In the supplier’s document delivery note is signed with subject to inspection.</td>
<td>True</td>
<td>False</td>
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<tr>
<td>10. Supply chain management operational decisions are corporate policies and structure.</td>
<td>True</td>
<td>False</td>
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II. Multiple Choice Questions *Suggested time : 20 minutes* (10 x 1 = 10 Marks)

Choose the correct answer by ticking (√) the letter-box at the right side.

1. The main characteristic of mass and flow production is:-

   a) Low skilled labour
   
   b) High skilled labour
   
   c) Continuous flow of material
   
   d) Continuous flow of plant and equipment

2. In Economic ordering quantity analysis, the classification is based on

   a) cumulative cost
   
   b) minimum cost
   
   c) maximum cost
   
   d) carrying cost

3. Which among the following steps are involved in planning process?

   a) Requirements of tooling and fixtures
   
   b) Write down the route sheet
   
   c) Prepare sequence of basic operation
   
   d) Features influencing selection of manufacturing process
4. The overall intentions and direction of an organization with regard to quality as formally expressed by top management is a:

   a) quality Plan
   b) quality Statement
   c) quality Policy
   d) quality Training

5. In production planning and control, the time when a product is required and time when the product is supplied is known as:

   a) Scheduling
   b) Dispatching
   c) Routing
   d) Follow-up

6. How is the re-order level calculated if stock-outs are to be avoided?

   a) Minimum usage * Maximum lead time
   b) Minimum usage * Minimum lead time
   c) Maximum usage * Minimum lead time
   d) Maximum usage * Maximum lead time

7. Which of the following term is used for an intermediate stage between manufacturing process and finished products?

   a) Raw materials
   b) Finished products
   c) Work in progress
   d) Shape
8. The key element to a supply chain is:

   a) location  
   b) scheduling employee shifts  
   c) using part-time employees  
   d) developing higher services

9. ________________ carries new technologies and adopting new process of manufacturing.

   a) Lead time  
   b) Environment  
   c) Capacity of the plant  
   d) Cost of the product

10. Productivity increases when

    a) inputs and outputs increase proportionately  
    b) input decrease while remain the same  
    c) input increase while outputs remain the same  
    d) output decrease while inputs remain the same
III. Short Questions. *Suggested time : 40 minutes* (4 X 4= 16 Marks)

1. Briefly explain the term dispatching in production planning. Give any three Functions. *(1 +3 = 4 Marks)*
2. Manufacturing process is affected by some factors. Describe any four factors in your own words. (4 Marks)

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3. How do you value material issues and stocks in materials management? (4 Marks)
4. Image depicts importance of product quality for company and consumers. Justify the statement with your views. (4 Marks)

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IV. Analytical Question *Suggested time: 30 minutes* (2 X 7 =14 Marks)

Number and state your main ideas/points clearly. Then, explain it in your own words and in proper context.

1. Companies wishing to improve their profitability focus on doing the right things and adopt a new business authoritative called operations improvement.

To measure the success of improvement the following ways are necessary. Therefore explain:

I. Why failure occurs in operations and how to detect potential failures. (1+1.50= 2.50 Marks)

II. What are the preventive maintenances required? (1.50 Marks)

III. How should operations recover when failure occurs? (1.50 Marks)

IV. How to maintain managing improvement process? (1.50 Marks)
2. A leading bread making company’s average usage of raw materials is 200 kg per day, the average lead time is five days, the reorder level is 1,600 kg and the reorder quantity is 2,800 kg. What is the average raw material inventory? (2 + 2 = 4 Marks)

i) Formula:

ii) Calculation:

iii) Which method is easy to value stock? Describe the method. (3 marks)