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Serial No.....

Institute of Certified Management Accountants of Sri Lanka
Operational Level
May 2015 Examination

Examination Date : 23rd May 2015 **Number of Pages :** 05
Examination Time: 1.30 p.m. – 4.30 p.m. **Number of Questions:** 07

Instructions to Candidates

1. Time allowed is **three (3) hours**.
2. Total: **100 Marks**.
3. Answer **all** questions in Part I and **four (4)** questions from Part II selecting **two (2)** questions from each of the Sections **A** and **B**.
4. Section **A**: Operations Management and Section **B**: Information Systems Management.
5. The answers should be in **English Language**.

<u>Subject</u>	<u>Subject Code</u>
Operations and Information Systems Management	(OIM / OL 3 - 203)

PART I

Question No. 01 (20 Marks)

Answer all parts of the Question No.1. Select the most correct answer to each part of the question. Write the number of the part of the question and the selected answer by stating the relevant English letter, in your answer booklet. **E.g. (1) (relevant English letter), (2) (relevant English letter) etc...**

- (1) On the nature of the major input being processed at any production system, it can be classified into three categories. Which one of the following indicates correct category?
 - (a) material processing system, information processing system, customer processing system
 - (b) customer processing system, transaction processing system, manufacturing processing system
 - (c) information processing system, material processing system, conversion processing system
 - (d) transformed processing system, material processing system, customer processing system
- (2) What type of technology can be dealt with construction of highways, bridges and power stations?
 - (a) Assembly line technology
 - (b) Continuous production
 - (c) Project technology
 - (d) Job shop technology
- (3) Product layout decision is
 - (a) determination of arrangement facilities on the basis of operating sequence of a particular product.
 - (b) determination of geographical place where the production system has to be established.
 - (c) determination of all facilities required to perform a particular process.
 - (d) determination of workplace where production resources are easily accessible.
- (4) Amal identified **main quality related causes and sub causes** leading to his factory manufacturing process and suggested several workable strategies to overcome them. Out of the quality related concepts noted below, what concept can be suitable to explain his analysis?
 - (a) Pareto Chart
 - (b) Cause – and – effect diagram
 - (c) Process diagram
 - (d) None of the above

- (5) Which term refers to the system which is an integrated set of activities designed to achieve high quality products using minimal inventories of raw materials, work in progress and finished products?
- Lean Manufacturing System
 - Mass Production
 - Material Requirement Planning (MRP)
 - Just in Time (JIT)
- (6) Enterprise Application Integration (EAI) refers
- to plans , methods and tools aimed at modernizing and consolidating.
 - as a cross functional enterprise system that integrates and automates many internal businesses.
 - as a cross functional enterprise system which runs on collaborative manner.
 - to a system linked to storage of information & supporting activities.
- (7) The e- business planning process major components.
- 5
 - 3
 - 2
 - 4
- (8) What terms refers to management information systems that provide pre- specified reports & responses to managers on a periodic, exception, demand to meet their need for information to support decision making?
- executive decision system
 - decision support system
 - Management information system
 - none of the above
- (9) What type of company creates flexible and adaptable workgroups and alliances keyed to exploit fast changing business opportunities?
- an internet linked company
 - an agile company
 - a virtual company
 - a supply chain management company
- (10) is a set of related programmes located at network gateway server that protect the resources of a private network from other users.
- encryption of data
 - security codes
 - virus programmes
 - a firewall

(10 × 2 Marks = Total 20 Marks)

End of Part I

PART II

Section A: Operations Management

Answer any two (2) questions

Question No. 02 (20 Marks)

You have been recruited as a management consultant of ABC PLC which is engaged in well diversified business. It has 10 supermarkets, Construction Company and food processing plant. The company has experienced many problems relating to holding of inventories required for above three categories of the business.

You are required to:

- (a) **Explain three basic decisions** to make in respect of **creation and holding of inventory** with special emphasis of above business. **(10 Marks)**
- (b) Information plays in critical role in supply chain management. With reference to above scenario briefly explain **two purposes** for which information is used? **(10 Marks)**
- (Total 20 Marks)**

Question No. 03 (20 Marks)

Lanka –Malasia Company (LMC) was set up as a BOI project. The Company exports food and fresh vegetable to MALDIVES AND Middle East countries .The Company has decided to implement Just In Time (JIT) system for improvement of operational flexibility and reduction of inventory cost associated with present system. Managing Director of the company has highlighted that the staff is fundamental in implementing JIT system.

You are required to:

- (a) Briefly explain five such conditions to be cultivated within the company and staff. **(10 Marks)**
- (b) Waste reduction is a critical activity in improving productivity of the company's operations. Briefly explain five types of waste with reference to above scenario? **(10 Marks)**
- (Total 20 Marks)**

Question No. 04 (20 Marks)

A company is seeking a location to set up a manufacturing plant and there are three alternatives available, namely P, Q and R. The company is planning to install a capacity of 10,000 units per month and the total cost at each location has been estimated as shown below.

Location	Fixed cost (Rs.)	Variable cost per unit (Rs.)
P	100,000	16
Q	50,000	24
R	150,000	10

You are required to:

- (a) Determine the best location for setting up manufacturing plant and the capacities for which each location alternative is going to be best. **(05 Marks)**
- (b) Write short notes selecting **three (3)** of the following.
 - (i) Transforming resources
 - (ii) Continuous production
 - (iii) Effective capacity
 - (iv) Appraisal cost

(3 × 5 Marks = Total 15 Marks)

(Total 20 Marks)

End of Section A

Section B: Information Systems Management

Answer **any two (2)** questions

Question No. 05 (20 Marks)

Keels Super Food City PLC (KSF) has set up island wide retail super markets which are mainly focussed on supply of farm fresh vegetable and fruits and other consumable required for daily living. With the increase of reputation of the company, a considerable revenue growth has been achieved. However KSF does not maintain information system database which can be used to identify key customers and to service them continuously. A consultant was hired on the advice of the board of KSF to improve Customer Relationship Management (CRM).

You are required to:

- (a) Define customer Relationship Management (CRM). **(06 Marks)**
- (b) Explain four aims of CRM. **(08 Marks)**
- (c) Briefly Indicate with examples how information technology tools can be used to create personalized service to increase loyalty in customers. **(06 Marks)**

(Total 20 Marks)

Question No. 06 (20 Marks)

Colonial Lanka (pvt) Ltd (CLL) is engaged in automobile industry since 1950. The company has become local agent of many world famous automobile manufacturers. Recently the company has launched assembly plant to produce spare parts to meet customer need with the support of key automobile manufacturers. However the company does not have business/ IT planning process to benefit e- business planning process to meet customer value and business value vision.

You are required to:

- (a) Explain **three (3)** major components of the e- business planning process. **(06 Marks)**
- (b) Briefly indicate major components in IT architecture required for strategic e – business planning process. **(08 Marks)**
- (c) Discuss briefly how products & service transformation is carried out using internet technology. **(06 Marks)**

(Total 20 Marks)

Question No. 07 (20 Marks)

Mihin Air Lanka Company has introduced an internet booking system to improve sales growth and to reduce cost of overhead of the company. The Company seek your advice on defensive strategies required for data security.

You are required to:

- (a) Explain **three (3)** such security management tools available to the company. **(08 Marks)**
- (b) Write short notes selecting any **two (2)** of the following.
 - (i) Computer ethics
 - (ii) Factors used to evaluate IS services
 - (iii) Information security control

(2 × 6 Marks = Total 12 Marks)

(Total 20 Marks)

End of Section B

End of Part II

End of Question Paper
