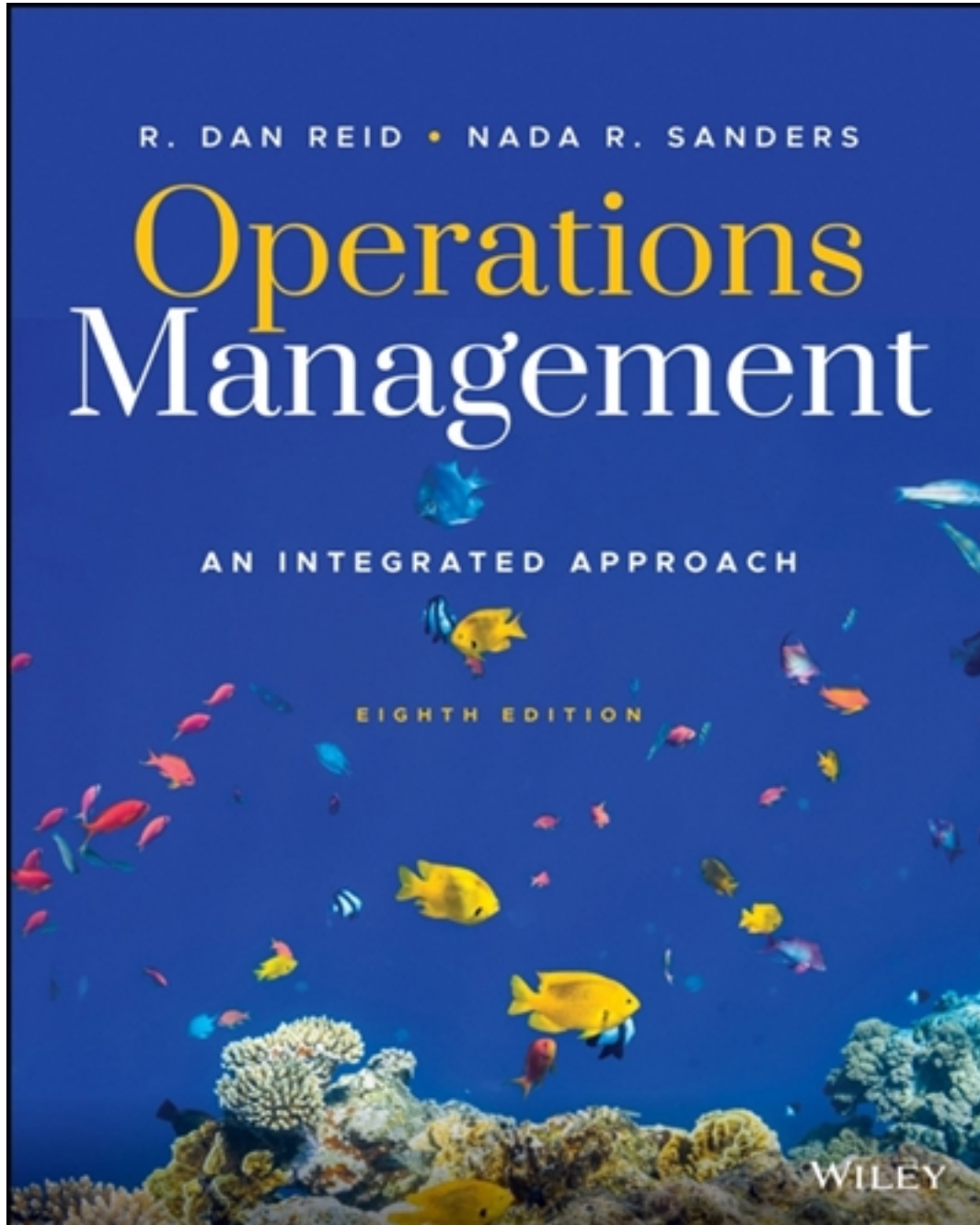


# Solutions for Operations Management An Integrated Approach 8th Edition by Reid

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# Solutions

## Solutions Manual

### Chapter 2: Operations Strategy and Competitiveness

1. Two workers have the job of placing plastic labels on packages before the packages are shipped out. The first worker can place 1,000 labels in 30 minutes. The second worker can place 850 labels in 20 minutes. Which worker is more productive?

**Answer:**

Productivity of worker 1 =  $1000 \text{ labels} / 30 \text{ minutes}$   
= 33.3 labels per minute

Productivity of worker 2 =  $850 \text{ labels} / 20 \text{ minutes}$   
= 42.5 labels per minute

Worker 2 is more productive.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

**AACSB:** Analytic

**Time on task:** 2 minutes

2. Last week a painter painted four houses in three days. This week she painted six houses in four days. In which week was the painter more productive?

**Answer:**

Productivity in worker 1 = 4 houses / 3 days = 1.33 houses per day

Productivity in worker 2 = 6 houses / 4 days = 1.5 houses per day

The painter was more productive in week 2.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

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**Time on task:** 2 minutes

3. One type of bread-making machine can make six loaves of bread in five hours. A new model of the machine can make four loaves in two hours. Which model is more productive?

**Answer:**

Productivity of old model machine = 6 loaves / 5 hours = 1.2 loaves per hour

Productivity of new model machine = 4 loaves / 2 hours = 2.0 loaves per hour

The new model is more productive.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

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**Time on task:** 2 minutes

4. A company that makes kitchen chairs wants to compare productivity at two of its facilities. At facility #1, five workers produced 225 chairs. At facility #2, six workers produced 263 chairs during the same time period. Which facility was more productive?

**Answer:**

Productivity at facility #1 = 225 chairs / 5 workers = 45 chairs per worker

Productivity at facility #2 = 263 chairs / 6 workers = 43.8 chairs per worker

Facility #1 was more productive.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

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**Time on task:** 2 minutes

5. A painter is considering using a new high-tech paint roller. Yesterday he was able to paint three walls in 45 minutes using his current roller. Today he painted two walls of the same size in 20 minutes. Is the painter more productive using the new paint roller?

**Answer:**

Productivity using old method = 3 walls / 45 minutes = 0.07 walls per minute

Productivity using new method = 2 walls / 20 minutes = 0.10 walls per minute

The painter is more productive using the new paint roller.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

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**Time on task:** 2 minutes

6. Aztec Furnishings makes hand-crafted furniture for sale in its retail stores. The furniture maker has recently installed a new assembly process, including a new sander and polisher. With this new system, production has increased to 95 pieces of furniture per day from the previous 55 pieces of furniture per day. The number of defective items produced has dropped from 8 pieces per day to 2 per day. The production facility operates strictly eight hours per day. Evaluate the change in productivity for Aztec using the new assembly process.

**Answer:**

Using only the non-defective production, productivity has increased from  $(55 - 8) = 47$  pieces per day to  $(95 - 2) = 93$  pieces per day.

Change in productivity =  $(93 - 47)/47 \times 100\% = 97.9\%$

There is a 97.9% increase in productivity using the new assembly process.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

**AACSB:** Analytic

**Time on task:** 3 minutes

7. Howard Plastics produces plastic containers for use in the food packaging industry. Last year its average monthly production included 20,000 containers produced using one shift five days a week with an eight-hour-a-day operation. Of the items produced 15 percent were deemed defective. Recently, Howard Plastics has implemented new production methods and a new quality improvement program. Its monthly production has increased to 25,000 containers with 9 percent defective.
- a) Compute productivity ratios for the old and new production system.
  - b) Compare the changes in productivity between the two production systems.

**Answer:**

- a) Using only the nondetective production, productivity increased from  $(20,000 \times 0.85) = 17,000$  units/month to  $(25,000 \times 0.91) = 22,750$  units/month.
- b)  $\text{Change in productivity} = (22,750 - 17,000) / 17,000 \times 100\% = 33.8\%$   
There is a 33.8% increase in productivity using the new production method.

**Section:** Productivity**Subsection:** Interpreting Productivity Measures**LO:** 2.5 Define productivity and identify productivity measures.**Bloom's:** Application**AACSB:** Analytic**Time on task:** 4 minutes



8. Med-Tech labs is a facility that provides medical tests and evaluations for patients, ranging from analyzing blood samples to performing magnetic resonance imaging (MRI). Average price to patients is \$85 per patient. Labor costs average \$18 per patient, materials costs are \$22 per patient, and overhead costs are averaged at \$20 per patient.
- a) What is the multifactor productivity ratio for Med-Tech? What does your finding mean?
  - b) If the average lab worker spends four hours for each patient, what is the labor productivity ratio?

**Answer:**

- a) Multifactor productivity =  $\$85/(\$18 + \$22 + \$20) = 1.42$   
This means that the lab is charging approximately 42% over the expenses of labor, materials, and overhead.
- b) Labor productivity =  $\$85/4 \text{ hours} = \$21.25 \text{ per hour}$

**Section:** Productivity

**Subsection:** Measuring Productivity

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

**AACSB:** Analytic

**Time on task:** 4 minutes

9. Handy-Maid Cleaning Service operates five crews with three workers per crew. Different crews clean a different number of homes per week and spend a differing amount of hours. All the homes cleaned are about the same size. The manager of Handy-Maid is trying to evaluate the productivity of each of the crews. The following data have been collected over the past week.

Work Crew	Hours	Homes Cleaned
Anna, Sue, and Tim	35	10
Jim, Jose, and Andy	45	15
Dan, Wendy, and Carry	56	18
Rosie, Chandra, and Seth	30	10
Sherry, Vicky, and Roger	42	18

Assuming the quality of cleaning was consistent between crews, which crew was most productive?

**Answer:**

Productivity of Anna, Sue, and Tim = 10 homes/35 hours = 0.29 homes/hour

Productivity of Jim, Jose, and Andy = 15 homes/45 hours = 0.33 homes/hour

Productivity of Dan, Wendy, and Carry = 18 homes/56 hours = 0.32 homes/hour

Productivity of Rosie, Chandra, and Seth = 10 homes/30 hours = 0.33 homes/hour

Productivity of Sherry, Vicky, and Roger = 18 homes/42 hours = 0.43 homes/hour

The crew of Sherry, Vicky, and Roger was the most productive.

**Alternative answer:**

Productivity of Anna, Sue, and Tim = 35 hours/10 homes = 3.5 hours per home

Productivity of Jim, Jose, and Andy = 45 hours/15 homes = 3 hours per home

Productivity of Dan, Wendy, and Carry = 56 hours/18 homes = 3.1 hours per home

Productivity of Rosie, Chandra, and Seth = 30 hours/10 homes = 3 hours per home

Productivity of Sherry, Vicky, and Roger = 42 hours/18 homes = 2.3 hours per home

The crew of Sherry, Vicky, and Roger was the most productive.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

**AACSB:** Analytic

**Time on task:** 5 minutes

10. Two nurses must each visit and attend to patients in the main hospital. The first nurse, on average, can visit 50 patients in an 8-hour day. The second nurse tends to work double shifts, and, on average, cares for 96 patients during the 15 hours she is working. Which nurse is more productive?

**Answer:**

Productivity of nurse 1 = 50 patients / 8 hours  
= 6.25 patients per hour

Productivity of nurse 2 = 96 patients / 15 hours  
= 6.40 patients per hour

Nurse 2 is more productive.

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

**LO:** 2.5 Define productivity and identify productivity measures.

**Bloom's:** Application

**AACSB:** Analytic

**Time on task:** 2 minutes

11. A gallery owner typically sells 10 works of art per month. If she invests in a pop-up gallery for 14 days in a local mall, she expects to sell 8 works of art. Would she be more productive if she invested in a pop-up gallery presence?

**Answer:**

Productivity of traditional gallery = 10 works of art / 30 days = 0.33 works of art per day or approximately one work of art every 3 days.

Productivity of pop-up gallery = 8 works of art / 14 days = 0.57 works of art per day or approximately one work of art every 2 days.

She would be more productive with the pop-up gallery

**Section:** Productivity

**Subsection:** Interpreting Productivity Measures

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**Bloom's:** Application

**AACSB:** Analytic

**Time on task:** 2 minutes

12. Tech-Ed Source is a company that administers standardized certification tests in the information technology field. Those who pass obtain industry certifications that are important for advancement in their field. Average cost to test-takers is \$50 per test. Labor costs for the testing facility averages \$10 per test, materials costs are \$5 per test-taker, and overhead costs are averaged at \$15 per test-taker.
- What is the multifactor productivity ratio for Tech-Ed Source? What does your finding mean?
  - If the average facility proctor spends two hours on each test-taker, what is the labor productivity ratio?

**Answer:**

- Multifactor productivity =  $\$50/(\$10 + \$5 + \$15) = 1.67$   
This means that the company is charging approximately 67% over the expenses of labor, materials, and overhead.
- Labor productivity =  $\$50/2 \text{ hours} = \$25 \text{ per hour}$

**Section:** Productivity**Subsection:** Interpreting Productivity Measures**LO:** 2.5 Define productivity and identify productivity measures.**Bloom's:** Application**AACSB:** Analytic**Time on task:** 2 minutes