



Date: 8/1/2015

Please answer **ALL** the following multiple-choice questions (MCQ).

Please **CAREFULLY SPECIFY YOUR ANSWERS** in the answer sheet.

Please note that 'Nota' denotes none of the above.

In Problems 2-5, the EOQ must be rounded to the nearest integer.

The following are problems related to questions exist in the MCQ sheet:

Problem 1

Dealings with suppliers L & M show the following information:

Information	Sup. L	Sup. M
Total number of orders	60	40
Number of rejected orders	5	2
Number of orders delivered on time	54	38
Price per unit (£)	\$1	\$1.09

Additional information: (1) The lowest price the company deals with throughout the year is \$1; and (2) The weight of quality is 45, the weight of service is 25, and the weight of price is 30.

Problem 2:

A car rental agency uses 96 boxes of staples a year. The boxes cost \$4 each. It costs \$10 to order staples, and carrying costs are \$0.80 per box on an annual basis.

Problem 3:

A shop that makes candles offers a scented candle, which has an annual demand of 8,640 boxes. Candles can be produced at a rate of 72 boxes per day. The shop operates 240 days a year. Assume that demand is uniform throughout the year. Setup cost is \$65 for a run, and holding cost is \$29 per box on an annual basis.

Problem 4:

A company can produce a part it uses in an assembly operation at the rate of 50 an hour. The company operates eight hours a day, 300 days a year. Daily usage of the part is 300 parts. The company uses the part every day. The run size is 6,000 parts. The annual holding cost is \$2 per unit, and setup cost is \$100.

Problem 5:

A manager has just received a revised price schedule from a vendor (as shown in the following table). Annual demand is 120 units, ordering cost is \$8, and annual carrying cost is \$1 per unit.

Quantity	Unit Price
1-39	\$14
40-59	\$13
60-89	\$12
90 or more	\$11

The following are Multiple Choice Questions (MCQ). Please Choose the one alternative that best completes the statement or answers the question, and shade relative squares in the answer sheet.

Questions from 1 to 5 are related to problem 1

1. The quality level of supplier L is: A) 93 B) 91.67 C) 90 D) Nota
2. The service level of supplier M is: A) 95 B) 100 C) 88.25 D) Nota
3. The total points of supplier L is: A) 93 B) 94.94 C) 93.75 D) Nota
4. The total points of supplier M is: A) 94.02 B) 95 C) 92.5 D) Nota
5. Which supplier is the best: A) M B) L C) Even D) Nota

Questions from 6 to 10 are related to problem 2

6. The EOQ is: A) ≈ 31 B) ≈ 39.19 C) ≈ 49 D) Nota
7. The average inventory is: A) 24.5 B) 15.5 C) \$19.6 D) Nota
8. The total annual holding cost is: A) \$19.6 B) \$39.2 C) \$0.8 D) Nota
9. The numbers of orders per year is: A) ≈ 10 B) ≈ 2 C) ≈ 3 D) Nota
10. The total cost at the EOQ is: A) \$39.19 B) \$19.6 C) \$92.3 D) Nota

Questions from 11 to 16 are related to problem 3

11. The daily usage rate is: A) 120 B) 36 C) 133 D) Nota
12. The economic run size is: A) ≈ 240 B) ≈ 278 C) 320 D) Nota
13. The maximum inventory is: A) 120 B) 240 C) 139 D) Nota
14. The minimum total cost is: A) 2015.5 B) 4,035.64 C) 202.14 D) Nota
15. The run time is: A) 3.86 B) 7.72 C) 5 D) Nota
16. The cycle time is: A) 5 B) 7.72 C) 3.86 D) Nota

Questions from 17 to 20 are related to problem 4

17. How many runs per year will there be: A) 20 B) 15 C) 400 D) Nota
18. While production is occurring, how many parts per day are being added to inventory:
A) 400 B) Zero C) 100 D) Nota

19. Assuming that production begins when there are no parts on hand, what is the maximum number of parts in inventory: A) 100 B) 1500 C) 6000 D) Nota
20. The machine is dedicated to this product. Every so often, preventive maintenance, which requires six working days, must be performed on it. A) There is enough time between cycles to perform the maintenance B) This interrupts production cycles C) Nota

Questions from 21 to 25 are related to problem 5

21. The EOQ is: A) ≈ 39 B) ≈ 15 C) ≈ 44 D) Nota
22. The total cost of the EOQ is: A) 1603.82 B) 1486 C) 1375.67 D) Nota
23. The total cost of the 60-89 range is: A) 1486 B) 1420 C) 1375.67 D) Nota
24. The total cost of the 90 or more range is: A) 1390 B) 1375.67 C) 1350 D) Nota
25. The quantity that yields the lowest total cost is: A) 44 B) 60 C) 90 D) Nota
26. ----- involves professionally managing suppliers and developing close working relationships with different internal groups.
 A) Purposeful cooperation
 B) Program management
 C) Credible commitment
 D) Supply integration
 E) Relationship management
27. A/An ----- consists of personnel from different functions and increasingly from suppliers who are brought together to achieve supply management or supply chain-related tasks.
 A) Big R
 B) External RM
 C) Cross-functional sourcing team
 D) Little r
 E) Internal RM
28. Which of the following is *not* a benefit of using a cross-functional sourcing team?
 A) Reduced time to complete a task
 B) Increased innovation
 C) Joint ownership of decisions
 D) Enhanced communication between functions or organizations
 E) Creative chaos
29. Improving the quality of information exchange, increasing flexibility, and reducing negotiation and conflict by being able to make joint-decisions and accept mid-solutions characterize -----.
 A) Reducing uncertainty
 B) Innovation routine

- C) Reducing costs
- D) Filling the competence gap
- E) None of the above

30. All of the following questions are important in considering new or existing suppliers for integration *except* -----.

- A) Is the supplier capable of hitting affordable targets regarding cost, quality, conductivity, weight, and other performance criteria?
- B) Does the supplier have sufficient marketing funds for promoting its new products?
- C) Will the supplier be able to meet product introduction deadlines?
- D) Will the supplier be able to increase capacity and production fast enough to meet our market share requirements?
- E) Do the supplier's personnel have the required training to start up required processes and debug them?

31. Resolving disputes is important in any buyer-seller relationship. In the traditional relationship, -----, while in the cooperative approach, -----.

- A) Buyer unilaterally resolves disputes conflict-resolution mechanisms exist
- B) Conflict-resolution mechanisms exist buyer unilaterally resolves disputes
- C) Buyer takes all the burden supplier feel comfort
- D) All of the above
- E) nota

32. In the collaborative buyer-seller relationship, win-win shared rewards are evident. In the traditional buyer-seller relationship, -----, -----.

- A) Buyer takes all cost savings, supplier hides them
- B) Supplier takes all cost savings, buyer hides them
- C) Supplier takes all cost savings, and also hides them
- D) Supplier wins, buyer loses
- E) Nota

33. ----- implies being the lowest in designing, producing, and distributing the product.

- A) Differentiation advantage
- B) Cost focus
- C) Differentiation focus
- D) Cost leadership
- E) Nota

34. One advantage of integration to innovate is to ----- in which assumptions are circulated among the key actors and validated based on their experience base.
- A) Reducing uncertainty
 - B) Reducing cost
 - C) Resolving disputes
 - D) Reduce creative chaos
 - E) Nota
35. All of the following are factors affecting purchasing's position in the organizational hierarchy *except* -----.
- A) History
 - B) Type of industry
 - C) Total value of goods and services
 - D) Philosophy of the founder
 - E) The number of purchasing personnel
36. Which of the following is *not* a requirement of being an effective team member?
- A) Understands the team's task.
 - B) Has time to commit to the team.
 - C) Has the right political connections.
 - D) Has the ability to work with others in a group.
 - E) Can assume an organizational rather than strict functional perspective.
37. ----- involves developing long-range material forecasts, conducting value analysis programs, assessing supplier capabilities, and analyzing the cost structure of suppliers.
- A) Operational support and order follow-up
 - B) Purchasing research
 - C) Administration and support
 - D) General purchasing
 - E) Sourcing and negotiating
38. The ----- group identifies potential suppliers, negotiates with selected suppliers, and performs the buying of goods and services.
- A) Purchasing research
 - B) Operational support and order follow-up
 - C) Administration and support
 - D) Sourcing and negotiating
 - E) General purchasing

39. Which of the following is *not* one of the features of the ideal procurement organizational model in the twenty-first century?
- A) A flattened hierarchy for faster decision making and a freer flow of ideas
 - B) Requirement of having cost accounting personnel present on all cross-functional teams
 - C) Use of cross-functional teams to pursue new opportunities and cross-fertilize ideas across organizations
 - D) Co-location of purchasing with internal customers
 - E) Rotation of business managers across business units and functional groups
40. All of the following are advantages of decentralized purchasing *except* -----.
- A) Understanding unique operational requirements
 - B) Speed and responsiveness
 - C) Reduced duplication of purchasing effort
 - D) Product development support
 - E) None of the above
41. ----- refers to the process of assessing and selecting the structure and formal system of communication, division of labor, coordination, control, authority, and responsibility required to achieve organizational goals and objectives.
- A) Cross-functional teaming
 - B) Reciprocity
 - C) Organizational design
 - D) Span of control
 - E) Supply chain orientation
42. Which of the following characterizing the organization of the future?
- A) Open information channels (Internet, Intranets, IT)
 - B) Rotation of managers across business units
 - C) Co-location of purchasing with internal customers
 - D) Higher-level chief purchasing officers
 - E) All of the above
43. A high level of ----- is achieved by having the right goods available in the right quantity, in the right place, at the right time.
- A) SCM
 - B) Tactical buying
 - C) Customer service
 - D) Profitable buying
 - E) Inventory management

44. The overall objective of ----- is to: (1) achieve satisfactory levels of customer service; (2) while keeping inventory costs within reasonable bounds.
- A) SCM
 - B) Tactical buying
 - C) Sourcing and value analysis
 - D) Profitable buying
 - E) Inventory management
45. The purpose of "cycle counting" is to:
- A) Count all the items in inventory
 - B) Count bicycles and motorcycles in inventory
 - C) Reduce discrepancies between inventory records and actual
 - D) Reduce theft
 - E) Count 10% of the items each month
46. Which of the following is not one of the assumptions of the basic EOQ model?
- A) Annual demand requirements are known and constant.
 - B) Lead time does not vary.
 - C) Each order is received in a single delivery.
 - D) Quantity discounts are available.
 - E) All of the above are necessary assumptions.
47. Which of the following is not a requirement of being an effective team member?
- A) Understands the team's task.
 - B) Has time to commit to the team.
 - C) Has the right political connections.
 - D) Has the ability to work with others in a group.
 - E) Can assume an organizational rather than strict functional perspective.

Best Wishes

Dr. Tarek El Shafeey

The University of Kaferelsheikh
Faculty of Commerce
1st Semester Exam(2014-2015)

Course: International Trade
Grade: 3
85 Marks

Date: 22/01/15
Time: 3 hours



Answer the following questions. The allocation of marks among sub-questions is indicated in the margins of each question.

1st Question: Fill in the gaps with the appropriate terms.

1. The.....conclusion fits with the observation that the most rapid growth in international trade in manufactured goods in the post- second World War period has been between developed countries. (1)
2.are tariff rates applied to an import according to its geographical source; a country that is given preferential treatment pays a lower tariff. (1)
3.table provides details, for all industries in an economy, of the flows of output of each industry to all other industries, the purchases of inputs from all other industries, and the purchases of factor services. (1)
4. rate where each good's tariff rate is weighted by the importance of the good in the total bundle of imports. (1)
5.is called in U.S. legislation, Normal Trade Relations (NTR). (1)
6. Leontief Statistic= (1)
7.includes all features of a common market and implies the unification of economic institutions and the coordination of economic policy throughout all member countries. (1)

8. The.....theory is almost exclusively demand oriented while theis primarily supply oriented. (2)
9. Thetheory postulates that tastes of consumers are conditioned strongly by their income levels; the per capita income level of a country will yield a particular pattern of tastes. (1)
10.is an activity undertaken to avoid the risk associated with changes in the exchange rate. (1)
11.is an empirical test (the first major test) of the factor endowments approach (the H-O theorem). (1)
12.is a negative import tariff. It is simply a payment per unit or as a percent of value for the importation of a good. (1)
13. Under....., the tariff rate in practice on a good is lower than the tariff rate listed in the tariff schedules. (1)
14. One of the assumptions of the H-O model is that the technology is.....in both countries; that is, production functions are the.....in both countries. (2)
15. Credit items (+sign) of current account of the balance of payments consist of....., income (such as interest and dividends) received from investments abroad as well as other factor income (e.g., wages) earned abroad, and a "unilateral transfer" item representing gifts received from abroad. (1)
16. The central thinking of thewas the view that national wealth was reflected in a country's holdings of precious metals. (1)
17.is a combination of a demand curve (the demand for imports) and a supply curve (the supply of exports). (2)

18.-term assets refer to assets with a maturity of one year or longer. (1)
19. Economic activity from the point of mercantilists can be viewed asgame in which one country's economic gain was at the expense of another. (1)
20. According to the Ricardian model, the factors of production are completelyexternally. (1)
21.is a risk-taking activity where individuals believe that the foreign currency is going to become more valuable in the future, wishing to acquire that currency today at a low price in hopes of selling it tomorrow at a high price making a quick profit. (2)
22.is the slope of the indifference curve which is (2)
23.is the price of one currency in terms of another. (1)
24.curve shows, in an assumed two-commodity world, the various consumption combinations of the two goods that provide the same level of satisfaction to the consumer. (1)
25.refers to the collection of economic thought that came into existence in Europe during the period from 1500 (The start of the 16th century) to 1750(18th century). (1)

2nd Question

- a. “ *Traditional microeconomic theory begins the analysis of individual consumer decisions through the use of the consumer indifference curve*”: **show, graphically, CIC with indicating the originator of this concept.** (20)
- b. Suppose that we have a bundle of four imported goods with the following tariff rates: good A, 25 percent and the country imports \$500,000 worth of good A; good B, 10 percent and the country imports \$400,000 worth of good B; good C, 15 percent and the country imports \$200,000 worth of good C; and finally, good D, 20 percent and the country imports \$100,000 worth of good D: **What is the weighted average tariff rate?** (10)

3rd Question

The following table shows the number of hours of labour required to produce 1 unit of output of Wine and Textiles in France and Greece. Based on this table answer the following questions:

	Wine	Textiles
France	10 hr/bbl	5 hr/y
Greece	15 hr/bbl	20 hr/y

- a. What is the content of the Law of Comparative Advantage? (5)
- b. What are the relative costs? (5)
- c. How the exchange occurs? (5)
- d. Calculate the autarky price ratios? (5)
- e. What are the gains, if exist, for each country? (5)

Best Wishes