

Quiz4. Put responses in mygateway under assignments

1) An often-overlooked key factor leading toward higher productivity is

1. diligence--willingness to work harder.
2. the ability to keep working on something even if it's wrong.
3. trusting people who are smarter to make the right decisions.
4. getting more people.
5. getting fewer people to put in longer hours to get the work done.
6. Rational laziness.
7. thorough and persistent cost-cutting strategies.
8. none of the above.
9. all of the above.

2) The best way to get people to make decisions in pursuit of company goals is to

1. identify responsibility for each decision and punish or reward people for results in each case.
2. promote the winners, demote the losers.
3. get as much data as you possibly can before ever making any decisions regardless of cost.
4. depersonalize decisions by agreeing on a process to give the best expected results and apply it with reasonable consistency. Reward people for the process.
5. get rid of people who make mistakes.
6. supervise people more closely so they don't make selfish decisions.
7. do everything by committee.

3) When should you get more information?

1. When the information is relevant and could change the outcome.
2. When you don't have anything better to do on nights and weekends.
3. When the information is worth more than it costs.
4. Whenever your boss hasn't told you what else to do before quitting time.
5. Whenever there's any more information to get.

4) Stadium sales of Anchovy ice-cream are weather dependent. Profit is only \$5K in cold weather, but \$50K in warm. An alternative is to chocolate coat them. Chocolate covered anchovies sell better in cold weather. Profit is \$20K in cold weather, \$15K in warm. At what probability of warm weather would you be indifferent between these two businesses?

1. $P_{\text{warm}} = 50\%$
2. $P_{\text{warm}} = 150\%$
3. $P_{\text{warm}} = 30\%$
4. 100% of each
5. $P_{\text{warm}} = 25/35$
6. $P_{\text{warm}} = 35/25$

5) You are selling cameras that have normally distributed lifetimes with a mean of 5 years and standard deviation of 2 years. How long should you make the warranty so that there will be less than 10% chance of fatal breakdown within the warranty period?

1. 1.05 yr.
2. 0.05 yr.
3. 2.44 yr.
4. 6.72 yr.
5. 7.5 yr.