



UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2021/2022**

COURSE NAME : OPERATION MANAGEMENT
COURSE CODE : MPA 10203
PROGRAMME CODE : MPA
EXAMINATION DATE : JANUARY / FEBRUARY 2022
DURATION : 3 HOURS
INSTRUCTION :

- 1. ANSWER ALL QUESTIONS**
- 2. THIS FINAL EXAMINATION IS AN ONLINE ASSESSMENT AND CONDUCTED VIA OPEN BOOK**

THIS QUESTION PAPER CONSISTS OF FOUR (4) PAGES

Q1 AirAsia is the biggest low-cost airline in Asia. The main hub of the airline is the international airport Kuala-Lumpur. The company is considered one of the best low-cost airlines in the world, with the world's lowest unit cost. The general strategy of AirAsia is based on the no-frills, low-fare concept. The company can be considered as an innovator in the sphere of air traveling in Asia. The company implemented no-frills, low-fare concept by offering prices that were nearly 50% lower than the prices of the competitors. The company offers low-fare flights without providing free entertainment or meals. Besides being the first no-frills, low-fare airline in Asia, it was also the first airline in the region that introduced free seating policy and got rid of the need for printed tickets during the travel long before the competitors introduced the same innovations.

The company has always strived for implementing innovations that enable the customers to buy tickets and book seats in the most opportune way. Easy-to-use website and other options for buying the tickets made the process more convenient and contributed to customers' satisfaction. Therefore, striving for introducing innovations in different areas of the airline's functioning can be regarded as the first component of the strategy of AirAsia.

(Source: 'Air Asia Company Case Study', IvyPanda.com 2019)

Discuss **THREE (3)** non value added processes elimination which enabled Air Asia to achieve low cost carrier success.

(15 marks)

Q2 Nazirul has good skill in furniture design and furniture customization. After gaining ten years of working experience in Ikew company, Nazirul decided to start his own business selling furniture. In addition to sell standard design furniture, he also plans to differentiate his business compared to competitor by offering custom fit furniture design base on client preference and house layout. He has to make decision on an optimum business operation model between 'Push' and 'Pull' systems for his new business start-up.

(a) Differentiate **TWO (2)** strengths and **TWO (2)** weaknesses of both operation models as in the business scenario above.

(12 marks)

(b) Propose the right operation model for Nazirul's new business and provide **TWO (2)** justification reasons.

(8 marks)

Q3 Palm Oil Processing Factory plans to set-up a new factory in Johor. The factory owner requested UTHM MBA students to help calculate the optimum location for the factory in order to reduce transportation cost. **Table Q3** summarize the location coordinates of the palm oil farm estate and actual palm oil supplies from each farm estate.

(a) Compute the optimal location coordinate (X_n and Y_n) for the new Palm Oil Processing Factory using Centre-of-Gravity method.

(20 marks)

(b) Construct **TWO (2)** strategic importance of facility location to the company above.

(10 marks)

Q4 Nadia has strong interest in automobiles just like her father. She spent a lot of time with her father repairing and maintaining their cars. After graduated from UTHM she plans to set up her own car workshop in Batu Pahat which can repair multiple types of car models ranging from luxury car, sport car to low cost model.

Recommend compatible process strategy for the workshop with **TWO (2)** justifications.

(15 marks)

Q5 Siti Khadijah company manufacture their prayer outfit products at their own factory in Bangi Selangor. This insource manufacturing strategy has its own advantages, while other successful entrepreneur like Vivy Yusof decided to outsource their Duck Scarves manufacturing operation at factory in Vietnam.

Compare **TWO (2)** advantages and **TWO (2)** disadvantages of the insource versus outsource manufacturing strategies as in the business scenario above.

(20 marks)

-END OF QUESTIONS-

FINAL EXAMINATION

SEMESTER / SESSION: SEMESTER I 2021/2022
COURSE NAME: OPERATION MANAGEMENT

PROGRAMME CODE : MPA
COURSE CODE: MPA 10203

Table Q3: Farm Estate Location and Supplies

Farm Estate Location (Supplies)	X-Coordinate (Km)	Y-Coordinate (Km)	Load, L (Supplies in 1000 Kg per week)
Ladang Kulai	60	20	50
Ladang Segamat	45	70	150
Ladang Batu Pahat	20	50	100
Ladang Pontian	30	30	200