

**University of Eswatini**  
**Faculty of commerce**  
**Department of business administration**  
**Main examination**  
**Nov/December 2018**

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Title of the Paper : Operations Management

Degree : Bachelor of Commerce

Course : BUS431 F/T, BA438/506 (IDE)

Time allowed : Three (3 hours)

Instructions:

1. THIS PAPER CONSIST OF SECTION A AND SECTION B)
2. SECTION A IS CASE STUDY AND IT IS COMPULSORY QUESTION
3. ANSWER ANY TWO QUESTIONS FROM SECTION B

Note: You are reminded that in assessing your work, account will be given of accuracy of language and the general quality of expression, together with layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED THE PERMISSION

## Section A : Compulsory

### Case study: The super Grip Tyre Company (PTY) Ltd

Read the case and answer the questions thereafter

The Super Grip Tyre Company Pty Ltd is the supplier of tyres to majority of Motor vehicles manufactured in South Africa. The quality standards the motor vehicle manufacturers require are very high. The market in which Super Grip is involved in is very competitive. Its competitors are waiting for a chance to become part of the market. Therefore, Super Grip cannot afford to produce tires of inferior quality. A range of tires is produced for high performance models of well-known manufacturer. In late 2007 and early 2008 the manufacturer started to complain about the quality of tires received from Super Grip. The problem identified by manufacturer is due to balloon forming on the inside sidewall of the tires received from Super Grip. The problem identified by the manufacturer is due to balloon forming on the inside sidewall is compromised and it can lead to complete blowout of tyre. This could result in a serious accident involving serious damage to property and loss of life.

At first, Super Grip was indignant that the vehicle manufacturer had insinuated that the tires were inferior in quality. Later in 2008, Super Grip also receive complaints from tyre fitment centers. The organization was slow in responding to the complaints. Eventually the vehicle manufacturer threatened to suspend the contract, and customers also complained to a well-known website featuring complaints.

Thereafter, Super Grip reluctantly agreed to recall that brand of tyres. The tyres recalled were all produced at Super Grip's factory in Brits. Management from head office in Johannesburg was calling for the closure of the plant.

Super Grip conducted a very thorough investigation into causes for the problem. It alluded to the fact that the design specifications, as received from the vehicle manufacturer, were incorrect and that the tyres should never have been fitted to the high to the high –performance models. It further claimed that the shock absorbers are destroyed when the car was driven at high speeds. There was an acrimonious argument between the two organizations, without any real solutions to the problem.

The complaints on website increased over this time. The Automobile Association (AA), Council for Scientific and Industrial Research (CSIR), and the South Africa Bureau of Standards (SABS) all got involved in the dispute. The investigation of the three organizations uncovered a disturbing fact. The same model for tyre had previously displayed similar symptoms on another manufacturer's high-performance model. This fact was never made public.

### **Question1**

- a. Explain how the quality of tyres could influence the competitiveness of the Super Grip. **20 marks**
- b. After the thorough investigation Super Grip found that the problem was with design specifications. Discuss the five factors to be considered by designers of Super Grip? **20 marks**

## Section B

ANSWER ANY TWO (2) QUESTIONS FROM THIS SECTION

### Question 2

Mr Mazibuko owns a restaurant at Matsapha Industrial site. He often encourages his staff members to be considering a productivity and effective way of utilizing business resources.

- a. Explain any five key steps Mr Mazibuko can pursue towards improving productivity? **10 marks**
- b. Discuss any 10 factors affecting productivity? **20 marks**

### Question 3

The University of ESwatini forecast on the future students intake.

- a. Explain the six steps for forecasting process the university should employ to ensure that qualified students are enrolled in the university (**18 marks**)
- b. Discuss any four things the university could employ to enhance capacity management in the University of Eswatini (**12 marks**).

### Question 4

Process selection and facility layout are important for business operations. Operations manager should consider way production of goods and services should be organized.

- a. Discuss four types of process selection the operations manager considers for the business (**12 marks**).
- b. Explain 5 advantages of Process layout and four advantages of Product layout (**18 marks**).