

QUESTION 5

Quality costs are the sum of all quality related effort and deficiency costs an organisation invests in the release of a quality product. The cost of quality assurance could be defined as the cost of ensuring and assuring quality as well as loss incurred when the required quality is not achieved.

Prepare a management report that highlights areas of quality cost for an organisation with which you are familiar, and make recommendations for improvement. The report should take appraisal costs, prevention costs and internal and external failure costs into account.

(25 marks)



Chartered Quality Institute

CQI Examinations January 2011

Unit 504

Quality Management

18 January 2011

Time: 9.40 – 12.10
(2½ hours)

Notes for candidates

At 9.30, you have 10 minutes preparation time before the exam begins.
Your exam booklet will be handed out at 9.40.

Attempt **BOTH questions** in **Section A**. Attempt **any TWO** questions from **Section B**.
If you attempt all three questions in Section B, only the first two will be marked.

Questions may be attempted in any order. All questions carry equal marks.
The maximum marks for each part of each question are shown.

Begin each question at the top of a fresh sheet of paper.
Do not write in the margins.

SECTION A – ANSWER BOTH QUESTIONS

QUESTION 1

Quality management is becoming increasingly important to the leadership and management of organisations. The 8 management principles that underpin quality management systems are aimed at continually improving performance long term by focussing on customers while addressing the needs of other stakeholders.

- (a) Critically analyse how an organisation, in either the manufacturing or service sector, could monitor and measure customer satisfaction. **(10 marks)**
- (b) Describe a method that you would use to assess suppliers of goods and/or services that would meet the requirements of ISO 9001. **(10 marks)**
- (c) Briefly describe the key stages involved in a product recall. **(5 marks)**

QUESTION 2

The PDCA (plan-do-check-act) is an iterative four step process used in problem solving and business improvement. PDCA was made popular by Dr W. Edwards Deming who is considered by many to be the father of quality control.

- (a) Briefly describe the four stages of PDCA with examples of activities at each stage. **(5 marks)**
- (b) Critically analyse how PDCA can contribute to problem solving and business improvement within an organisation of your choice. **(10 marks)**
- (c) Discuss either Dr Deming's fourteen key principles for management for transforming business effectiveness or the seven deadly diseases. **(10 marks)**

SECTION B – ANSWER TWO QUESTIONS ONLY

QUESTION 3

- (a) A flowchart is a diagram used to show the nature and flow of the steps within a process. It promotes understanding of a process, identifies problem areas and opportunities for improvement.
Produce a flowchart for any THREE of the following business processes
(i) Management Review
(ii) Planning for quality
(iii) Purchasing a product or service
(iv) Training
(v) Calibration
(vi) Internal Audit. **(15 marks)**
- (b) A sales process is a defined series of steps to follow as a guide from initial contact to completing the sale. The sales process includes marketing, sales and customer service. A flowchart can be used to represent the sales process.

Critically analyse the benefits and drawbacks of an organisation taking this approach to the sales process. **(10 marks)**

QUESTION 4

Effective organisations identify and develop a clear, concise and shared meaning of beliefs, values, priorities and direction so that everyone can understand and contribute. Once defined, values impact every aspect of the organisation.

- (a) Discuss what would need to occur within an organisation for the values that have been identified to have an impact. **(10 marks)**
- (b) Compare and contrast the functions of quality control and quality assurance in an organisation of your choice. **(15 marks)**