

QUESTIONS:

- 1. The Cost of Poor Quality & Cost of Good Quality can be combined to calculate what:**
 - Your Products Target Sales Price
 - The Annual Investment in Prevention
 - The Total Cost of Quality
 - Your Projected Annual Failure Costs

- 2. Which of the following activities are considered a Preventative Cost?**
 - Testing Prototypes
 - Calibrating Equipment
 - Performing a Process Audit
 - Root Cause Analysis for Internal Scrap

- 3. Which of the 4 Quality Cost categories is the only that is considered a "Cost Avoidance" Activity:**
 - Preventative Cost
 - Appraisal Cost
 - Internal Failure Cost
 - External Failure Cost

- 4. Place the Quality Cost Categories in order of Least Expensive to Most Expensive:**
 - Internal Failures, Appraisal, Prevention, External Failures
 - Prevention, Appraisal, External Failures, Internal Failures
 - Appraisal, Prevention, Internal Failures, External Failures
 - Prevention, Appraisal, Internal Failures, External Failures

- 5. In a Quality Cost system, time spent writing a procedure would fall into which cost category:**
 - Preventative Cost
 - Appraisal Cost
 - Internal Failure Cost
 - External Failure Cost

6. Designing and executing a control chart would fall into which Quality Cost Category:

- Preventative Cost
- Appraisal Cost
- Internal Failure Cost
- External Failure Cost

7. The necessity of holding excess inventory to combat uncertainty brought on by fluctuating scrap, production bottlenecks or other issues is a form of which Quality Cost Category:

- Preventative Cost
- Appraisal Cost
- Internal Failure Cost
- External Failure Cost

8. The costs incurred to replace defective products for customers falls into which Quality Cost Category:

- Preventative Cost
- Appraisal Cost
- Internal Failure Cost
- External Failure Cost

9. Your final QC inspection finds that a document has been incorrectly filled out. The cost associated with sending this document back for correction would fall into which Cost Category:

- Preventative Cost
- Appraisal Cost
- Internal Failure Cost
- External Failure Cost

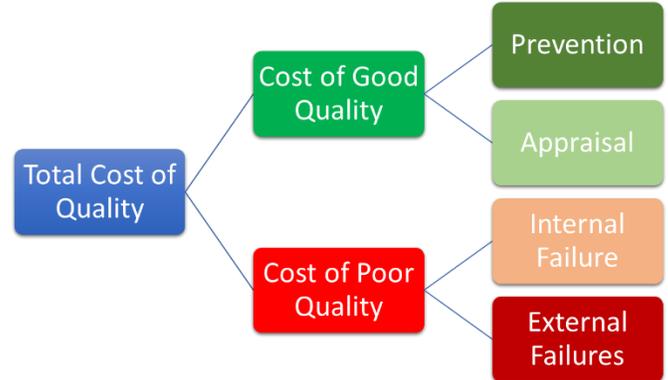
10. The Cost spent achieving an ISO 9000 certification would fall into which category:

- Preventative Cost
- Appraisal Cost
- Internal Failure Cost
- External Failure Cost

SOLUTIONS:

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- **Prevention, Appraisal, Internal Failures, External Failures**

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