

Six of the following eleven statements are patently false. Find the six false statements. The other statements are true. For the false statements, mark the words that make the statement false.

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1. With **Three** Sigma, the organization tracks and monitors “defects” in a process. Then, methods are sought to systematically eliminate the opportunity for such defects.
  2. A Japanese term that is associated with JIT is “**Kaizen**,” which means some form of signal that a particular inventory is ready for replenishment.
  3. “Activity-based costing” divides production into its component processes (“activities”) and more closely associates overhead with each unique process.
  4. Transfer pricing relates to assessing costs and setting prices for goods produced in one venue and transferred to an affiliate in another.
  5. “Underapplied” overhead is generally viewed as a **favorable** situation.
  6. The cost driver is the factor that is viewed as causing costs to be incurred within an organization.
  7. “Job costing” **cannot** be applied in a service business, because “jobs” only consist of things like “clients,” “surgical procedures,” “seat miles,” “student credit hours,” “fire calls,” or other measures of output.
  8. Capacity utilization refers to the degree to which an organization’s output capabilities are being **outsourced to other businesses**.
  9. Lean manufacturing entails the pursuit of standardization for as many processes as possible, without compromising responsiveness to customer demand.
  10. An important part of TQM is to stress quality by comparing products and processes to other “world-class” firms. This comparative process is commonly known as **targeted marketing**.
  11. Kaizen is a Japanese term used to describe a blitz like approach to study processes and install efficiency within an organization.