

# APICS

## Exam Questions CSCP

Certified Supply Chain Professional



#### NEW QUESTION 1

- (Topic 1)

The main benefit of a mass customization product design strategy is to:

- A. sell high quantities of product to specific customer segments.
- B. achieve economies of scale in purchasing components.
- C. offer more product variety while keeping inventories low.
- D. avoid assembly of finished products.

**Answer: C**

#### NEW QUESTION 2

- (Topic 1)

Compared to a global strategy, a multicountry strategy would be characterized by:

- A. strategy coordination across countries.
- B. preferred suppliers located in host countries.
- C. major strategic decisions coordinated centrally.
- D. products adapted to local needs.

**Answer: D**

#### NEW QUESTION 3

- (Topic 1)

Which of the following attributes typically makes reverse logistics processes more complicated than outbound logistics processes?

- A. Lead times for shipments are more variable.
- B. Individual packages and cartons are less uniform.
- C. There are more regulations mandated by local governments.
- D. There is more competition for scarce transportation lanes.

**Answer: B**

#### NEW QUESTION 4

- (Topic 1)

A company considers outsourcing its information technology support to a low-cost region on another continent. The company currently has no business presence there. Which of the following actions is most effective in helping to select a service provider?

- A. Contacting the country's consulate for leads
- B. Contacting the country's local government for recommendations
- C. Visiting several potential providers before making a selection
- D. Finding a trusted local business agent to help in the search

**Answer: D**

#### NEW QUESTION 5

- (Topic 1)

Which of the following outcomes is a benefit typically expected of customer relationship management (CRM)?

- A. Reducing the size of the sales force by automating activities
- B. Gaining a better understanding of customer requirements
- C. Implementing automated inter-organizational processes
- D. Focusing sales efforts on the most profitable customers

**Answer: B**

#### NEW QUESTION 6

- (Topic 1)

Which of the following strategies is used primarily for demand planning?

- A. Build-to-order scheduling
- B. Push-pull replenishment
- C. Collaborative planning, forecasting, and replenishment
- D. Vendor-managed inventory

**Answer: C**

#### NEW QUESTION 7

- (Topic 1)

Which of the following results can be expected from sharing a common understanding of demand and consumption patterns among supply chain participants?

- A. Improved transparency of collaboration relationships
- B. Increased performance in balanced scorecard
- C. Reduced inventory levels for key items
- D. Better synchronization of planning and operations

**Answer: D**

**NEW QUESTION 8**

- (Topic 1)

A firm wants to lose customers that don't value the unique products and services the firm offers and to attract and retain customers that want what the firm offers. Engaging in this activity should allow the firm to:

- A. create a more loyal customer base.
- B. improve customer satisfaction rates.
- C. increase market share.
- D. target higher-profit customers.

**Answer: A**

**NEW QUESTION 9**

- (Topic 1)

The primary objective of supply chain management is:

- A. minimizing transportation costs.
- B. reducing inventory levels.
- C. taking a systems approach.
- D. implementing advanced technologies.

**Answer: C**

**NEW QUESTION 10**

- (Topic 1)

Which of the following actions typically would be considered part of a reverse logistics strategy?

- A. Offering a discount on new purchases when used products are returned
- B. Reducing the amount of packaging material used in shipping
- C. Manufacturing products in batches consistent with full-truckload shipments
- D. Batching returns of defective components to the suppliers

**Answer: A**

**NEW QUESTION 10**

- (Topic 1)

After identifying the potential causes for delays in communicating demand information up the supply chain, the trading partners should take which of the following actions?

- A. Implement a higher-speed data communications network.
- B. Change procedures so data is communicated more frequently.
- C. Identify the root causes for the delays.
- D. Map and analyze the value stream.

**Answer: C**

**NEW QUESTION 12**

- (Topic 1)

The purpose of continuous improvement in the supply chain is to:

- A. eliminate the root causes of problems.
- B. improve interorganizational communication.
- C. develop better written procedures.
- D. reduce product costs.

**Answer: A**

**NEW QUESTION 16**

- (Topic 1)

A main benefit of using customer relationship management (CRM) is:

- A. maximization of on-time delivery.
- B. minimization of product returns.
- C. identification of customers with high lifetime value.
- D. finding new markets for existing products and services.

**Answer: C**

**NEW QUESTION 17**

- (Topic 1)

Supply chains delivering products or services are most able to respond quickly to changing market requirements when:

- A. products have been standardized.

- B. products have a modular design.
- C. production processes have been standardized.
- D. production processes have been simplified.

**Answer: B**

**NEW QUESTION 21**

- (Topic 1)

A return material authorization (RMA) policy is used in reverse logistics to:

- A. physically transport returned items by using an efficient transportation mode.
- B. minimize the number of returned items by involving product design and demand forecasting.
- C. reduce the cost of returned items by refusing to accept items that should not be returned.
- D. reclaim substantial value from returned items by recycling.

**Answer: C**

**NEW QUESTION 23**

- (Topic 1)

Which of the following benefits of supplier relationship management typically results from collaboration with a few critical suppliers?

- A. Automation of supplier sales activities
- B. Elimination of formal contracts
- C. Reduction in customer and supplier inventories
- D. Standardization of communications

**Answer: C**

**NEW QUESTION 27**

- (Topic 1)

Compared to a blanket purchase order, a supplier alliance agreement is best differentiated by:

- A. efficient material replenishment processes.
- B. clearly identified roles for the buyer and seller.
- C. a shared vision of added value.
- D. a sole-source agreement.

**Answer: C**

**NEW QUESTION 29**

- (Topic 1)

A manufacturer uses standard costing, and a potential supplier uses activity-based costing. This difference most likely will have implications for which of the following types of future decisions?

- A. Price concessions
- B. Make-or-buy
- C. Distribution warehouse locations
- D. Freight terms

**Answer: B**

**NEW QUESTION 32**

- (Topic 1)

Which of the following forecasting methods relies on the opinions of a panel of experts?

- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

**Answer: A**

**NEW QUESTION 33**

- (Topic 1)

A firm supplies products and services to a wide variety of industries with varying requirements for responsiveness and reliability. Many customers across these industries are not satisfied with the firm's ability to meet the lead time and on time delivery requirements. Which of the following tools is most appropriate for the firm to use to improve customer service?

- A. Customer service ratio metrics
- B. Market segmentation
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

**Answer: B**

**NEW QUESTION 36**

- (Topic 1)

When designing a supply chain for strategic advantage, a company first should consider:

- A. the impact on customers using Just-in-Time manufacturing.
- B. the financial stability of suppliers.
- C. matching the supply chain to product type.
- D. whether to use custom or standard parts.

**Answer: C**

**NEW QUESTION 38**

- (Topic 2)

Which of the following strategies would increase overall supply chain risk?

- A. Single sourcing a product that makes the highest annual profit
- B. Outsourcing a product that is not well suited to your operations
- C. Identify multiple sources for a product that has a potential for supply chain disruption
- D. Internally manufacturing a product that has a high level of technical intellectual property

**Answer: A**

**NEW QUESTION 39**

- (Topic 2)

What is the primary benefit of using modular rather than integral designs?

- A. Lower cost of manufacturing
- B. Increased product performance
- C. Greater responsiveness in marketing and production
- D. Reduced complexity of bills of material

**Answer: C**

**NEW QUESTION 44**

- (Topic 2)

A company ships from its manufacturing facilities directly to its warehouses. If the number of warehouses increases, transportation costs between manufacturing facilities and warehouses most likely will:

- A. increase.
- B. decrease.
- C. not change.
- D. become less predictable.

**Answer: A**

**NEW QUESTION 46**

- (Topic 2)

A company produces and distributes a family of soft drinks in a single country. It has developed and will introduce a new family of soft drinks for weight- and health-conscious individuals. There currently are no competitors with nationwide distribution for this category of soft drinks. Which of the following supply chain strategies would be most appropriate for the two product families?

- A. Produce both product families to forecast and push through the distribution system.
- B. Produce both product families only after receipt of a distributor order.
- C. Produce the current product family to forecast and the new product family to order.
- D. Produce the current product family to order and the new product family to forecast.

**Answer: C**

**NEW QUESTION 49**

- (Topic 2)

Which of the following actions is in accordance with the Ten Principles in the United Nations (UN) Global Compact?

- A. Preventing a group of employees from forming a collective bargaining (union) group
- B. Paying different wages in different parts of the world for a given job classification
- C. Requiring an individual to pay a fee for consideration in hiring or promotion decisions
- D. Withholding certain employment opportunities from specific groups of people

**Answer: B**

**NEW QUESTION 53**

- (Topic 2)

Allowing for organizational restructuring is an example of which of the following steps in creating successful strategic alliances among suppliers?

- A. Managing multifaceted relationships
- B. Negotiating a win-win deal
- C. Planning for change
- D. Conducting pulse checks

**Answer: C**

**NEW QUESTION 55**

- (Topic 2)

A company wants to implement a system for managing environmental compliance with legislative and regulatory requirements. Which of the following sustainability tools is most appropriate?

- A. ISO 14000
- B. Global Reporting Initiative (GRI)
- C. ISO 26000
- D. UN Global Compact

**Answer: A**

**NEW QUESTION 57**

- (Topic 2)

Distribution from which of the following types of sites enables goods to enter a country, undergo further modification, and then be exported without paying customs duties?

- A. Public warehouse
- B. Value-added territory
- C. Free trade zone
- D. Customs clearing house

**Answer: C**

**NEW QUESTION 58**

- (Topic 2)

The most appropriate reason for a business to comply with the United Nations (UN) Global Compact practices typically would be to:

- A. enhance the competitive advantage.
- B. gain access to proven management tools.
- C. reduce the threat of organized labor.
- D. reduce the cost of operating in multiple countries.

**Answer: A**

**NEW QUESTION 61**

- (Topic 2)

A product design that can be produced to requirements even when conditions in the production process are unfavorable typically is known as what type of design?

- A. Universal
- B. Computer-aided
- C. Modular
- D. Robust

**Answer: D**

**NEW QUESTION 66**

- (Topic 2)

The customer who provides point-of-sale data remains the sole decision-maker regarding order quantities when what type of inventory strategy is used?

- A. Continuous replenishment
- B. Advanced continuous replenishment
- C. Vendor-managed replenishment
- D. Quick response

**Answer: D**

**NEW QUESTION 69**

- (Topic 2)

A company's product cannot be sold beyond 12 months from the date of manufacture. The product contains hazardous material and must be returned to the factory to be neutralized. This situation is an example of product:

- A. reuse.
- B. remanufacturing.
- C. recovery.
- D. refurbishing.

**Answer: C**

**NEW QUESTION 71**

- (Topic 2)

A company most likely would consider moving a portion of its manufacturing to a second location to:

- A. improve competitive advantage through cost control.
- B. avoid manufacturing downtime due to material shortages.
- C. maximize security for customer shipments.
- D. minimize the impact of natural disasters.

**Answer: D**

**NEW QUESTION 76**

- (Topic 2)

The most important challenge to consider when sourcing globally is:

- A. the identification of sources capable of producing the materials.
- B. the availability of low-cost labor and energy.
- C. complying with specific import/export issues.
- D. balancing the difference between piece price and total cost.

**Answer: D**

**NEW QUESTION 78**

- (Topic 2)

A manufacturer and the distributors of its products have decided to focus on price and product availability as strategic priorities. Which of the following values would be the most appropriate measure of customer service?

- A. Manufacturer's volume flexibility
- B. Order-fulfillment lead times
- C. Distributors' order-fill rates
- D. Supply chain inventory days of supply

**Answer: C**

**NEW QUESTION 81**

- (Topic 2)

The process used to determine the impact of promotions, price discounts, and rebates on demand forecasts commonly is referred to as demand:

- A. planning.
- B. forecasting.
- C. aggregating.
- D. shaping.

**Answer: D**

**NEW QUESTION 84**

- (Topic 2)

Which of the following ISO standards is used to assist organizations with sustainable development?

- A. ISO 31000
- B. ISO 14001
- C. ISO 26000
- D. ISO 9001

**Answer: C**

**NEW QUESTION 88**

- (Topic 2)

Implementation of supply chain applications based on which of the following technologies is most likely to have the lowest fixed costs?

- A. Best of breed packages
- B. One integrated package
- C. Service-oriented architecture
- D. Software-as-a-service

**Answer: D**

**NEW QUESTION 93**

- (Topic 2)

Which of the following factors typically is most important in successfully implementing sales and operations planning (S&OP)?

- A. Involvement of specialists from all functional groups within an organization
- B. Creation of a dedicated S&OP organizational unit
- C. Involvement and accountability at senior management level
- D. Focus on 3 months to 18 months in the future

**Answer: C**

**NEW QUESTION 98**

- (Topic 2)

A business is changing from a business to business model to a business to consumer model. Which of the following statements about this supply chain change is true?

- A. Returns from customers will decrease.
- B. Number of supplier orders will increase.
- C. Number of customer orders will increase.
- D. Average supplier order size will increase.

**Answer: C**

#### **NEW QUESTION 102**

- (Topic 3)

Which of the following actions is most appropriate when implementing a strategy to create customer-affordable value?

- A. Use a more rapid transportation mode.
- B. Increase safety stock.
- C. Extend product warranty.
- D. Employ lean principles.

**Answer: D**

#### **NEW QUESTION 104**

- (Topic 3)

Measurement of service to the customer should consider which of the following strategic priorities?

- A. Cash flow
- B. Responsiveness
- C. Order cycle time
- D. Forecast accuracy

**Answer: B**

#### **NEW QUESTION 107**

- (Topic 3)

Which of the following actions is most likely to improve customer perceptions about delivery performance provided by a firm?

- A. Shipping orders early whenever possible
- B. Increasing the order-fill rate
- C. Increasing inventory velocity for key products
- D. Implementing a pull inventory replenishment system

**Answer: B**

#### **NEW QUESTION 112**

- (Topic 3)

Functional products require which of the following types of supply chain process?

- A. Restrictive
- B. Innovative
- C. Efficient
- D. Integrated

**Answer: C**

#### **NEW QUESTION 116**

- (Topic 3)

A manufacturer is evaluating outsourcing production of high-volume components. Outsourcing production will likely require an increase in total supply chain inventory for the components due to an increase in:

- A. demand.
- B. lead time.
- C. quality.
- D. suppliers.

**Answer: B**

#### **NEW QUESTION 118**

- (Topic 3)

Which of the following approaches reduces lead times from supplier to customer using point of sale data?

- A. Advanced shipping notice (ASN)
- B. Continuous quality improvement (CQI)
- C. Vendor-managed inventory (VMI)
- D. Efficient consumer response (ECR)

**Answer: D**

**NEW QUESTION 123**

- (Topic 3)

Which of the following methodologies is most appropriate to use to drive continuous improvement?

- A. Define-measure-analyze-improve-control process
- B. Kanban
- C. Poka-yoke
- D. Pareto analysis

**Answer: A**

**NEW QUESTION 128**

- (Topic 3)

Which of the following attributes is an example of both supply and operational risk?

- A. Quality
- B. Order quantities
- C. Robust processes
- D. Product mix

**Answer: A**

**NEW QUESTION 132**

- (Topic 3)

Use of consistent performance measures among trading partners is a best practice to:

- A. share data among information systems faster.
- B. manage collaboration and continuous improvement.
- C. reduce the time to introduce new products.
- D. increase the flexibility to collaborate with customers.

**Answer: B**

**NEW QUESTION 134**

- (Topic 3)

Which of the following performance indicators can be used to measure the effectiveness of a vendor-managed inventory program?

- A. Number of inventory receipts
- B. Inventory usage
- C. Inventory returns
- D. In-stock rate

**Answer: D**

**NEW QUESTION 135**

- (Topic 3)

When establishing third-party and fourth-party logistics relationships, a firm should avoid providers who:

- A. use a proprietary information system.
- B. constantly update their information technology and equipment.
- C. provide extensive reporting on each customer interaction.
- D. meet customer requirements through regional warehousing.

**Answer: A**

**NEW QUESTION 140**

- (Topic 3)

Organizations that change from a traditional purchasing perspective to a supply chain perspective most likely will adopt techniques related to:

- A. product pricing.
- B. value stream analysis.
- C. centralized decision making.
- D. sourcing multiple suppliers.

**Answer: B**

**NEW QUESTION 145**

- (Topic 3)

When trying to decide whether to outsource its customer relationship management function, a company primarily should consider which of the following factors?

- A. Location of the service provider
- B. Internal controls of the company
- C. Compatibility of computer hardware
- D. Transaction costs

**Answer:**

B

**Explanation:**

A grocery store found that ground beef sales increased when buns were a featured sales item. This customer relationship management technique is called:

- A. data mining.
- B. data tracking.
- C. contact management.
- A. D. order entry. Answer: A

**NEW QUESTION 148**

- (Topic 3)

Prioritizing customer needs is best accomplished by:

- A. sharing information with key customers.
- B. installing a new enterprise resources planning system.
- C. responding to customer requests in the order they are received.
- D. establishing policies and procedures for honoring customer requests.

**Answer: D**

**NEW QUESTION 153**

- (Topic 3)

A firm has identified key benefits for developing a strategic alliance and has selected appropriate supply chain partners. Which of the following actions should the firm take to build a successful alliance with a supplier who is also a competitor?

- A. Establish an internal committee to limit shared information.
- B. Negotiate contracts that maximize the firm's profits.
- C. Instruct employees to ignore the competitive aspect of the relationship.
- D. Encourage employees to cooperate with the supplier.

**Answer: :D**

**NEW QUESTION 156**

- (Topic 3)

Short order cycles to facilitate rapid replenishment will result in:

- A. minimal in-process inventory.
- B. fewer inventory moves.
- C. improved communications to customers.
- D. increased supplier collaboration.

**Answer: A**

**NEW QUESTION 157**

- (Topic 3)

Pull strategy typically would be the most appropriate strategy when customer demand uncertainty is:

- A. high, and supplier lead time is long.
- B. high, and supplier lead time is short.
- C. low, and supplier lead time is long.
- D. low, and supplier lead time is short.

**Answer: B**

**NEW QUESTION 161**

- (Topic 3)

When profit impact is high and supply risk is low for an item, which of the following procurement strategies is most likely to be effective and successful?

- A. Leveraging purchasing power
- B. Forming a long-term partnership
- C. Automating the procurement process
- D. Ensuring continuous supply

**Answer: A**

**NEW QUESTION 162**

- (Topic 3)

The make-to-stock model is an effective inventory strategy when the product:

- A. has a long manufacturing lead time.
- B. has a limited set of features.
- C. is designed by the customer.
- D. is frequently out of stock.

**Answer: B**

**NEW QUESTION 163**

- (Topic 3)

Which of the following types of lead times is related most closely to a supplier performance measure?

- A. Fulfillment
- B. Replenishment
- C. Overall
- D. Process

**Answer: B**

**NEW QUESTION 167**

- (Topic 3)

Which of the following objectives is the primary driver in the design and implementation of lean process management?

- A. Reducing the level of inventory
- B. Decreasing the cash-to-cash cycle
- C. Integrating processes between departments
- D. Satisfying customer requirements

**Answer: D**

**NEW QUESTION 168**

- (Topic 3)

A company that is having difficulties prioritizing resources against a long list of improvement projects should use which of the following processes?

- A. Control chart
- B. Competitive benchmarking
- C. Pareto analysis
- D. Six Sigma

**Answer: C**

**NEW QUESTION 173**

- (Topic 3)

A company is aggressively pursuing improvements in the financial performance of its supply chain. The company should first focus its efforts on which of the following metrics?

- A. Process takt time
- B. Cycle count accuracy
- C. Number of inventory turns
- D. Number of first-tier suppliers

**Answer: C**

**NEW QUESTION 174**

- (Topic 3)

Which of the following types of supply chains is characterized by difficulty in responding to rapidly changing demand patterns?

- A. Push-based
- B. Pull-based
- C. Innovative
- D. Collaborative

**Answer: A**

**NEW QUESTION 179**

- (Topic 3)

A company recently implemented a new supplier rating system. Data was collected from the enterprise resources planning system about each vendor's rating for cost, quality, and delivery over 12 months. A cutoff point was established for poor performers. The responsible purchasing agent then scheduled meetings with each supplier. Which of the following actions is most appropriate to take with suppliers whose ratings were below the cutoff point?

- A. Discuss ways to raise the ratings for the next review period.
- B. Tell the suppliers they are on probation for 3 months.
- C. Immediately cancel outstanding contracts with those suppliers.
- D. Ask the suppliers to explain the poor performance.

**Answer: A**

**NEW QUESTION 180**

- (Topic 3)

Purchased component standardization generates savings primarily by reducing:

- A. assembly costs through economies of scale.
- B. engineering costs due to lower testing requirements.
- C. inventory control costs due to smaller shelf space requirements.
- D. inventory transportation costs by using economical modes.

Answer: A

**NEW QUESTION 185**

- (Topic 3)

Which of the following approaches typically would be most effective in increasing inventory velocity in a supply chain?

- A. Using faster modes of transportation
- B. Using third-party logistics firms
- C. Reducing the inventory idle time
- D. Adding capacity at bottlenecks

Answer: C

**NEW QUESTION 189**

- (Topic 3)

Which of the following types of raw materials would be most appropriate to source via an Internet-based trading exchange?

- A. Expensive material that is critical to the finished good
- B. Expensive material for which there are several substitutes
- C. Inexpensive material that is critical to the finished good
- D. Inexpensive material for which there are many sources

Answer: :D

**NEW QUESTION 191**

- (Topic 3)

Standardization of supply chain processes is most likely to facilitate achievement of which of the following activities?

- A. Reducing the total cost of ownership
- B. Tracking the effects of improvement initiatives
- C. Creating project consensus
- D. Understanding of operational metrics

Answer: B

**NEW QUESTION 193**

- (Topic 3)

Which of the following tools is most appropriate to use to determine projects that will achieve the greatest net benefits?

- A. Pareto diagram
- B. Fishbone diagram
- C. Process flow diagram
- D. Operation process chart

Answer: A

**NEW QUESTION 198**

- (Topic 3)

Before discontinuing a product based on activity-based cost calculations, one should primarily consider the effects upon:

- A. activity-based cost calculations of other products.
- B. value stream mapping of complementary products.
- C. research and development (R&D) costs of new products.
- D. overhead absorption rates across product lines.

Answer: A

**NEW QUESTION 201**

- (Topic 3)

A procurement manager wants to reduce costs on commodity items. Which of the following actions is likely to result in the greatest savings?

- A. Conducting a supplier review and recertification
- B. Renegotiating contracts with commodity suppliers
- C. Standardizing and eliminating redundant items
- D. Leveraging group purchasing power

Answer: D

**NEW QUESTION 203**

- (Topic 3)

A company that desires to implement a strategy for inventory management must define which of the following factors?

- A. Reliability and maintainability requirements
- B. Variability in the customer demand
- C. Overall item effectiveness

D. Inventory carrying costs

**Answer: B**

**NEW QUESTION 205**

- (Topic 3)

Which of the following elements is critical to successfully using a sales and operations planning process?

- A. Focusing on performance of the past 12 to 18 months
- B. Implementing a unified cross-functional plan and process
- C. Implementing bottom-up decision making
- D. Aligning the forecast to the annual budget

**Answer: B**

**NEW QUESTION 206**

- (Topic 3)

Which of the following procurement strategies is most appropriate for a high-risk, high-value item?

- A. Procuring in bulk to take advantage of volume pricing
- B. Using an electronic trading platform to source items securely
- C. Entering into vendor managed inventory (VMI) agreement
- D. Creating a close collaborative relationship with the supplier

**Answer: D**

**NEW QUESTION 207**

- (Topic 3)

Which of the following conditions is most likely to occur shortly after the introduction of an innovative product family?

- A. Forecast errors will be low.
- B. Production lead time will increase.
- C. An inventory buffer will be required.
- D. Demand will be stable.

**Answer: C**

**NEW QUESTION 208**

- (Topic 3)

A pattern of increased shipments from manufacturing plants to a central warehouse at month-end and quarter-end typically would cause which of the following situations in a central warehouse?

- A. Fluctuation in required labor resources
- B. Decreased use of storage capacity
- C. Decreased transportation costs
- D. Increased outbound shipments

**Answer: A**

**NEW QUESTION 213**

- (Topic 3)

A firm has captured the following information for a product family:

Product Data	Days
Supply of inventory	53
Payables outstanding	25
Receivables outstanding	34
Time to fill an order	14
Production lead time	7

The cash-to-cash cycle time is how many days?

- A. 41
- B. 44
- C. 62
- D. 74

Answer: C

**NEW QUESTION 214**

- (Topic 3)

A firm experiences a supply chain interruption from a second-tier supplier. Which of the following actions is the firm likely to take to minimize future interruptions?

- A. Require the supplier to submit weekly cycle count reports.
- B. Require the supplier to implement a sales and operations planning process.
- C. Map the supplier's supply chain to identify risks and opportunities.
- D. Conduct an ISO 14001 audit of the supplier.

Answer: C

**NEW QUESTION 217**

- (Topic 3)

An operations manager wants to measure variability in the delivery time of insurance policies to clients. Which of the following quality tools most appropriately would show the level of variability?

- A. Pareto chart
- B. Histogram
- C. Scatterplot
- D. Check sheet

Answer: B

**NEW QUESTION 220**

- (Topic 3)

If a company successfully implements a sales and operations planning process, which of the following measures would be expected to increase?

- A. Percentage of on-time deliveries
- B. Cash-to-cash cycle time
- C. Forecast variation
- D. Cost of goods sold

Answer: A

**NEW QUESTION 223**

- (Topic 3)

Which of the following processes ensures that functional plans are consistent?

- A. Strategic planning
- B. Sales and operations planning
- C. Project planning
- D. Master scheduling

**Answer: B**

**NEW QUESTION 226**

- (Topic 3)

A primary reason for enhancing supply chain security is to:

- A. meet government requirements.
- B. reduce insurance costs.
- C. improve lead time.
- D. protect brand image.

**Answer: D**

**NEW QUESTION 229**

- (Topic 3)

Which of the following statements indicates an attribute of international commercial terms (Incoterms)?

- A. They are required contract terms for international trade.
- B. Each term implies the responsibilities of the buyer and seller.
- C. Discounts and surcharges are identified by the terms.
- D. The terms are reviewed annually by the International Chamber of Commerce.

**Answer: B**

**NEW QUESTION 230**

- (Topic 3)

A common benefit of including an automatic identification system (AIS) at the point of sale (POS) in retail stores is improved:

- A. shipment traceability.
- B. unit inventory precision.
- C. sales revenue tracking.
- D. information integrity of freight bills.

**Answer: B**

**NEW QUESTION 231**

- (Topic 3)

A company uses cash-to-cash cycle time to assess how long it takes from:

- A. receiving inventory from the supplier to paying the invoice from the supplier.
- B. receiving inventory from the supplier to invoicing the customer.
- C. paying the supplier for inventory received to receiving payment from the customer.
- D. invoicing a customer to receiving payment from the customer.

**Answer: C**

**NEW QUESTION 236**

- (Topic 3)

Companies interested in developing programs to pinpoint customer loyalty rely on customer relationship management tools that produce which of the following outputs?

- A. Transaction management
- B. Forecast, process, and information sharing
- C. Churn analysis and prediction
- D. Event and service management

**Answer: C**

**NEW QUESTION 239**

- (Topic 3)

A supplier has decided to improve its forecast accuracy by reducing the information lead time from the retailer. Which of the following actions would be most appropriate to achieve the desired result?

- A. Eliminating sales and promotions
- B. Decentralizing demand information
- C. Reducing its quoted lead time
- D. Utilizing electronic data interchange

**Answer: D**

**NEW QUESTION 244**

- (Topic 3)

Which of the following statements describes a continuous replenishment strategy in a retail environment?

- A. Retailers make replenishment decisions.

- B. Retailers prepare individual orders and share sales data with vendors to improve customer service.
- C. Vendors use sales data and prepare shipments to maintain the desired level of inventory.
- D. Vendors take full control of inventory policy.

**Answer: C**

**NEW QUESTION 249**

- (Topic 3)

The theory of constraints (TOC) works best in an environment where the:

- A. product mix for the operation changes daily.
- B. constraint cannot be easily managed.
- C. constraint cannot be easily identified.
- D. constraint persists long enough to be managed effectively.

**Answer: D**

**NEW QUESTION 252**

- (Topic 3)

Effective sales and operations planning (S&OP) can contribute most to which of the following objectives?

- A. Increasing product quality
- B. Increasing the number of new customers
- C. Reducing unexpected customer requests
- D. Reducing excess inventory

**Answer: D**

**NEW QUESTION 254**

- (Topic 3)

Which of the following techniques allows users to automate the notification of appropriate parties when exceptions to specific business rules occur?

- A. Enterprise resources planning
- B. Supply chain event management
- C. Advanced planning and scheduling
- D. Automatic identification and data capture

**Answer: B**

**NEW QUESTION 257**

- (Topic 3)

One operation in a four-stage process has been producing more than required and is causing elevated levels of work in process. Which of the following approaches would be most appropriate to address the situation?

- A. Kanban
- B. Kanban
- C. Kaizen
- D. Keiretsu

**Answer: B**

**NEW QUESTION 261**

- (Topic 3)

A firm decides to move from a mass production to a mass customization model. This will result in a change in focus from:

- A. special to general purpose facilities.
- B. lower to higher operational cost.
- C. efficiency to effectiveness measures.
- D. high to low flexibility workforce.

**Answer: A**

**NEW QUESTION 265**

- (Topic 3)

Which of the following activities is critical to successful synchronization of supply and demand throughout a supply chain?

- A. Sharing demand information
- B. Placing large orders to obtain lower prices
- C. Reducing the number of deliveries
- D. Maintaining increased inventories

**Answer: A**

**NEW QUESTION 266**

- (Topic 3)

The relative speed at which all transactions within the supply chain process occur is known as:

- A. the cycle time.
- B. velocity.
- C. latency.
- D. throughput.

**Answer: B**

**NEW QUESTION 268**

- (Topic 3)

In order to optimize delivery routing and load planning as well as to provide advanced shipment notifications (ASN's), which of the following technology platforms should be implemented to plan and manage the above operations?

- A. Electronic Data Interchange (EDI)
- B. Enterprise Resource Planning (ERP)
- C. Event Management System (EMS)
- D. Transportation Management System (TMS)

**Answer: D**

**NEW QUESTION 272**

- (Topic 3)

A service company has decided to create a customer-focused business and has identified the following steps in the process:  
{exhibit 3860}

Which of the following sequences of steps is correct for implementing the company's decision?

- A. 2, 1, 4, 3, 5
- B. 4, 2, 1, 5, 3
- C. 3, 5, 2, 4, 1
- D. 4, 2, 5, 1, 3

**Answer: B**

**NEW QUESTION 277**

- (Topic 3)

Use of a private warehouse is most appropriate when a firm needs to:

- A. adjust warehouse capacity easily for seasonal products.
- B. perform a limited number of specialized activities for customers.
- C. control operating policies and hours to respond to changes in market demand.
- D. take advantage of economies of scale and scope to increase profitability.

**Answer: C**

**NEW QUESTION 278**

- (Topic 3)

A company exports products to emerging markets. Which of the following approaches would be used to enhance compliance, minimize risks, and connect supply chain activities?

- A. Logistics network planning
- B. Distribution requirements planning
- C. Supply chain event management
- D. Global trade management

**Answer: D**

**NEW QUESTION 282**

- (Topic 3)

Some firms that have licensed other companies to manufacture their products run the risk of:

- A. losing market share.
- B. the other companies becoming competitors.
- C. the products becoming a commodity.
- D. the products being overpriced.

**Answer: B**

**NEW QUESTION 287**

- (Topic 3)

Outsourcing is most appropriate when a product is:

- A. modular and independent of knowledge and capacity.
- B. modular and dependent on knowledge and capacity.
- C. integral and independent of knowledge and capacity.
- D. integral and dependent on knowledge and capacity.

**Answer:** A

**NEW QUESTION 290**

- (Topic 3)

A disadvantage of capable-to-promise (CTP) when compared to available-to-promise (ATP) is:

- A. the loss of potential sales based on earlier allocations.
- B. it does not include inventory levels.
- C. it requires the purchase of additional equipment.
- D. it requires more complex calculations.

**Answer:** D

**NEW QUESTION 291**

- (Topic 3)

An organization is partnering with a supplier. The most appropriate tool to ensure that the supplier has the necessary capabilities is:

- A. a supplier-input-process-output-customer diagram.
- B. supplier certification.
- C. supplier relationship management.
- D. supplier performance evaluation.

**Answer:** B

**NEW QUESTION 293**

- (Topic 3)

Which of the following benefits should a supplier expect to receive by becoming a certified supplier?

- A. Reduction in redundant processes with buyer
- B. Increase in price of items sold
- C. Increase in access to competitive information
- D. Reduction in number of items utilizing vendor-managed inventory

**Answer:** A

**NEW QUESTION 298**

- (Topic 3)

Which of the following actions is an initial step in a continuous process improvement model?

- A. Creating a flowchart to map the process
- B. Benchmarking against another company
- C. Setting specific performance goals
- D. Developing a realistic project plan

**Answer:** A

**NEW QUESTION 303**

- (Topic 3)

The profit margin for a product that is currently made in the company's facility has decreased during the past 2 years. Which of the following factors should be considered when deciding whether to make or buy the product?

- A. Production capabilities
- B. Transportation capabilities
- C. Distribution channels
- D. Landed cost

**Answer:** D

**NEW QUESTION 306**

- (Topic 3)

Which of the following steps is first in developing a product differentiation strategy?

- A. Study customer needs
- B. Define customer segments
- C. Determine design modifications
- D. Establish competitive priorities

**Answer:** A

**NEW QUESTION 307**

- (Topic 3)

A company is considering relocating production to a lower-wage country. Volatility in which of the following areas most likely would impact profitability without modifying product landed costs?

- A. Labor costs

- B. Currency exchange rates
- C. Commodity prices
- D. Product quality

**Answer:** BExplanation:NEWQUESTIONS

**NEW QUESTION 308**

- (Topic 3)

The most appropriate strategy for a firm that makes and sells a wide range of items typically would be to domestically source items that have which of the following characteristics?

- A. Short product life cycle and many variations
- B. Short product life cycle and few variations
- C. High labor value and low transport uncertainty
- D. High labor value and high transport uncertainty domestically

**Answer:** A

**NEW QUESTION 311**

- (Topic 3)

A distributor has a network consisting of a central distribution center serving five regional distribution centers that ships to multiple retailers. The distributor wants to reduce inventory while maintaining product availability. Which of the following actions is most likely to produce the desired outcome?

- A. Centralizing inventory for slow-moving items
- B. Reducing the quoted price for slow-moving items
- C. Implementing cross-docking at the central distribution center
- D. Implementing continuous replenishment at the regional centers

**Answer:** A

**NEW QUESTION 316**

- (Topic 3)

A manufacturer experiences frequent changes in product technology and market preferences, resulting in new product introductions each year. Which of the following sourcing strategies would be most appropriate?

- A. Sole sourcing
- B. Multiple sourcing
- C. Long-term contracting
- D. Strategic partnering

**Answer:** D

**NEW QUESTION 319**

- (Topic 3)

The use of kanban for item replenishment by external suppliers requires:

- A. accurate long-term forecasts.
- B. returnable plastic containers.
- C. close communication about component usage.
- D. a process for the reverse supply chain.

**Answer:** C

**NEW QUESTION 323**

- (Topic 3)

A company most likely would implement a supplier certification program to:

- A. improve the supplier's procurement process.
- B. abide by ISO standards.
- C. validate the supplier's compliance with requirements.
- D. implement point-of-sale (POS) terminals.

**Answer:** :C

**NEW QUESTION 324**

- (Topic 3)

Horizontal and vertical exchanges of secure data among supply chain partners are facilitated best by:

- A. the intranet.
- B. a portal.
- C. a Web site.
- D. e-mail.

**Answer:** B

**NEW QUESTION 325**

- (Topic 3)

Which of the following activities is the most appropriate use of an advanced planning and scheduling system?

- A. Selecting the target market for a product
- B. Optimizing transportation routes
- C. Creating a daily demand forecast
- D. Identifying constraints within a facility

**Answer: D**

#### **NEW QUESTION 327**

- (Topic 3)

Which of the following actions typically is most important when building a collaborative supply chain?

- A. Investing sufficient capital
- B. Building mutual trust
- C. Integrating information systems
- D. Developing a common culture

**Answer: B**

#### **NEW QUESTION 330**

- (Topic 3)

A company regularly issues sustainability reports in accordance with the Global Reporting Initiative (GRI) framework and uses the reports to track continuous improvement. Which of the following topics could be found in the sustainability reports?

- A. Labor practices
- B. Product specifications
- C. Raw material costs
- D. Currency exchange rates

**Answer: A**

#### **NEW QUESTION 335**

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