

# APICS

## Exam Questions CSCP

Certified Supply Chain Professional



#### NEW QUESTION 1

- (Topic 1)

Which of the following scenarios represents a correct application of the Supply-Chain Operations Reference-model (SCOR)?

- A. Sales and marketing refers to SCOR to improve demand generation.
- B. Production and engineering uses SCOR best practices to design a new "make" process flow.
- C. Distribution and logistics selects suppliers from the SCOR reference list.
- D. Marketing and development incorporates SCOR Level I metrics for new product design.

**Answer: B**

#### NEW QUESTION 2

- (Topic 1)

A large manufacturer wanting to be more competitive in the global market place decided to outsource its transportation and return processing to other companies on a contractual basis. The companies providing the services would be referred to as:

- A. fourth party logistics providers.
- B. third party logistics providers.
- C. retail services providers.
- D. distribution services providers.

**Answer: B**

#### NEW QUESTION 3

- (Topic 1)

Continuous improvement is best described as:

- A. a never-ending effort to expose and eliminate root causes of problems.
- B. a never-ending effort by the management team to reduce cycle time.
- C. identifying and implementing big-step improvements within a process.
- D. a process in which a supplier commits to replenishing inventory based on demand without receiving replenishment orders.

**Answer: A**

#### NEW QUESTION 4

- (Topic 1)

Which of the following consequences is a result of shipping directly from the point of manufacture to the customer rather than through a distribution network?

- A. Delivery lead times are consistent.
- B. Risk pooling benefits are negated.
- C. Distribution overhead is increased.
- D. Order-fill rate is decreased.

**Answer: B**

#### NEW QUESTION 5

- (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 6

- (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 7

- (Topic 1)

Which of the following marketing strategies emphasizes offering services at a lower price than rival services with comparable features?

- A. Cost leadership
- B. Service differentiation
- C. Customer focus

D. Market responsiveness

**Answer:** A

**NEW QUESTION 8**

- (Topic 1)

The process of gathering data about what customers need and ensuring that desired features are included in the design and initial planning phase of a new product or service is known as:

- A. a quick response program.
- B. quality function deployment.
- C. total quality management.
- D. early supplier involvement.

**Answer:** B

**NEW QUESTION 9**

- (Topic 1)

A large wholesaler formerly owned a number of delivery trucks. The wholesaler sold all of its trucks and now purchases transportation services from fleet operators. This is an example of which of the following strategies?

- A. Selling and leasing back equipment.
- B. Renting equipment on consignment.
- C. Using a third-party logistics provider.
- D. Using an owner-operator fleet.

**Answer:** C

**NEW QUESTION 10**

- (Topic 1)

A company has been delivering a global product that no longer appears profitable. Senior management's best response is to:

- A. analyze product profitability by market segment.
- B. discontinue the product based on eroding profitability.
- C. provide additional incentives to the sales force.
- D. increase promotional activity across all markets.

**Answer:** A

**NEW QUESTION 10**

- (Topic 1)

A company plans to maximize profitability by charging more for its products at retail locations than on its website. Which of the following segmentation strategies would best support this plan?

- A. Group
- B. Channel
- C. Regional
- D. Location

**Answer:** :B

**NEW QUESTION 14**

- (Topic 1)

Using an independent service provider for logistics would be most appropriate in which of the following situations?

- A. A shoe company that wants to penetrate a foreign market
- B. A business that owns plants and warehouses globally
- C. A financial services company that wants to expand its services
- D. A cable television company that wants to add services

**Answer:** A

**NEW QUESTION 19**

- (Topic 1)

Which of the following actions typically would be the first step in implementing the philosophy of customer relationship management?

- A. Creating a customer-centric organization
- B. Developing a map of the customer segments
- C. Documenting the objectives for implementation
- D. Selecting an information technology solution

**Answer:** A

**NEW QUESTION 23**

- (Topic 1)

Which of the following indicators is most appropriate to use as a measure of supply chain utilization?

- A. Production equipment productivity
- B. Net asset turnover
- C. Value-added productivity per employee
- D. Upside flexibility

**Answer:** B

#### **NEW QUESTION 27**

- (Topic 1)

Which of the following factors typically is the most significant impediment to implementing collaborative commerce?

- A. Technology barriers
- B. Security
- C. Corporate culture
- D. Return on investment (ROI)

**Answer:** :C

#### **NEW QUESTION 28**

- (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 29**

- (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 33**

- (Topic 1)

A firm has identified groups of customers based on specific characteristics the customers desire from products and services the firm can provide. Characteristics include lead times, pricing tiers, and service levels. The firm is engaged in which of the following activities?

- A. Customer differentiation
- B. Order winner segregation
- C. Market segmentation
- D. Channel definition

**Answer:** C

#### **NEW QUESTION 38**

- (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 40**

- (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 44

- (Topic 1)

Which of the following types of information would be an appropriate basis for a qualitative forecast?

- A. Leading indicators
- B. Market research data
- C. Order history
- D. Shipment history

**Answer: B**

#### NEW QUESTION 49

- (Topic 1)

Which of the following considerations is an important supply chain design decision?

- A. Product design
- B. Selecting supporting information systems
- C. Identifying labor force requirements
- D. Identifying training programs

**Answer: B**

#### NEW QUESTION 50

- (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?

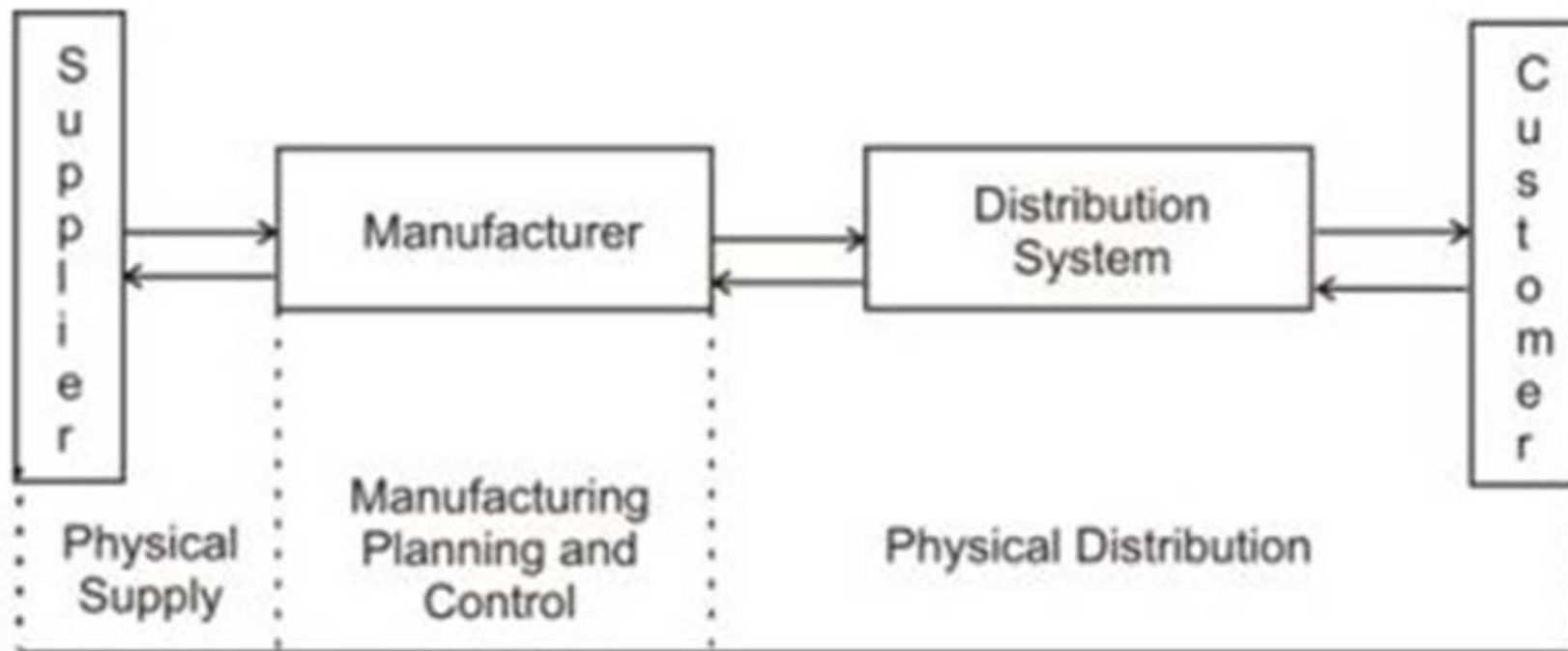
- A. Price concessions
- B. Make-or-buy
- C. Distribution warehouse locations
- D. Freight terms

**Answer: B**

#### NEW QUESTION 52

- (Topic 1)

The question below is based on the following flowchart:



Which of the following phrases most accurately describes the complete flow of demand information?

- A. From supplier to customer
- B. From customer to manufacturer
- C. From customer to supplier
- D. From supplier to manufacturer

**Answer: C**

#### NEW QUESTION 53

- (Topic 1)

What is the primary role of marketing in supporting supply chain management?

- A. Selecting favored supplier partners
- B. Developing efficient customer channels
- C. Focusing on short-term forecasting accuracy
- D. Working with research and development on slow-moving products

**Answer: B**

#### NEW QUESTION 55

- (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 59

- (Topic 1)

Compared to mass-media marketing, customer relationship management has the advantage of allowing the organization to:

- A. compete for customers based on service.
- B. reach a larger number of potential customers.
- C. reduce inventory to improve cash flow.
- D. focus on attracting new customers.

**Answer:** A

#### NEW QUESTION 60

- (Topic 1)

A firm supplies a single line of products to consumers using retail stores and on-line sales, distributors, and wholesalers. Currently the firm has common pricing and response times for sales in each sales channel. Which of the following tools is most appropriate to employ to improve profitability?

- A. Customer segmentation
- B. Customer-facing ordering systems
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

**Answer:** A

#### NEW QUESTION 63

- (Topic 1)

The value that logistics provides within the supply chain can best be summarized as:

- A. satisfying customer expectations about availability and delivery at an acceptable total cost.
- B. meeting promised location and on-time delivery goals with minimal use of expediting.
- C. establishing inventory and delivery goals with various customers that fulfill the firm's profit objectives.
- D. providing accurate in-transit and delivery information to customers and salespeople.

**Answer:** A

#### NEW QUESTION 68

- (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 73

- (Topic 2)

Potential customers of a company's new product have tight tolerance requirements. The company plans to purchase a critical component. To meet customer requirements, the company should first:

- A. implement statistical process control for the component.
- B. bring manufacturing of the critical component in-house.
- C. develop an alternate source of supply.
- D. certify the supplier of the component.

**Answer:** D

#### NEW QUESTION 77

- (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 79

- (Topic 2)

In the Supply Chain Operations Reference-model (SCOR®), the cash-to-cash cycle time for a manufacturing company is the number of days between which two of the following situations?

- A. Paying for raw materials and getting paid for the product
- B. Shipping the product from the warehouse and receiving it at the customer's location
- C. Paying for raw materials and sending an invoice to the customer
- D. Billing the customer and getting paid for the product

**Answer: A**

#### NEW QUESTION 83

- (Topic 2)

Which of the following actions is most likely to increase total supply chain risk?

- A. Standardizing components used in a product family
- B. Expanding operations to multiple locations
- C. Consolidating manufacturing locations
- D. Reducing the supplier base for commodity-type components

**Answer: C**

#### NEW QUESTION 88

- (Topic 2)

Which of the following actions would be most appropriate for an enterprise that has successfully integrated internal supply chain management systems and functions?

- A. Focusing on reducing setup times
- B. Implementing a firewall to limit access to supply and demand data
- C. Working with key suppliers to reduce costs and lead times
- D. Working with trading partners to reduce channel redundancies

**Answer: C**

#### NEW QUESTION 91

- (Topic 2)

Which of the following warehousing tools enables wireless scanning of products?

- A. Magnetic stripes
- B. Universal product codes
- C. Radio frequency devices
- D. Local area network

**Answer: C**

#### NEW QUESTION 93

- (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 96

- (Topic 2)

A company closely monitors supplier performance and notices recent late deliveries from one supplier. The supplier discloses flood damage at the plant. The company quickly shifts sourcing to a new supplier and has minimal loss of sales. Which of the following risk strategies reflects the company's actions?

- A. Achieving low cost through reaction
- B. Creating an adaptive supply chain community
- C. Reducing supply chain vulnerability
- D. Investing in redundancy

**Answer: B**

#### NEW QUESTION 98



- (Topic 2)

Which of the following processes would a company use to evaluate the risk profile for end-of-life planning for a product family?

- A. Distribution requirements planning
- B. Sales and operations planning
- C. Rough-cut capacity planning
- D. Production activity control

**Answer: B**

#### NEW QUESTION 101

- (Topic 2)

A corporation must consider which of the following factors when selecting its enterprise resources planning system?

- A. Uniqueness of operations
- B. Corporate profitability
- C. MRP and MRP II processing
- D. Industry benchmarks

**Answer: A**

#### NEW QUESTION 106

- (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 110

- (Topic 2)

The mission of the global reporting initiative (GRI) is to provide a:

- A. comparison of key metrics for companies in the same industries across the globe.
- B. feasible business plan that can be shown to global potential investors.
- C. trusted and credible framework for reports regarding sustainability practices.
- D. transparent collaboration between non-profit organizations and governments.

**Answer: C**

#### NEW QUESTION 112

- (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 115

- (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 120

- (Topic 2)

A company that sells direct to industrial and commercial businesses has become successful by being responsive to the needs of its customers. The company currently produces in each country all of the products it sells in that country. Several countries in which the company operates have negotiated an agreement to establish a trading bloc. Which of the following actions by the company would be most appropriate if the agreement is implemented?

- A. Consolidate production outside the trading bloc to reduce total costs.
- B. Consolidate production within the trading bloc to reduce tariffs paid.
- C. Outsource the production of products with low sales volumes to reallocate capacity.
- D. Reassign products so that each is produced in a single facility within the trading bloc to get economies of scale.



**Answer:** D

**NEW QUESTION 124**

- (Topic 2)

A company's supply chain depends heavily on sourcing from international suppliers. Conditions increasingly threaten supply continuity. Which of the following actions is most appropriate?

- A. Source from domestic suppliers.
- B. Conduct a risk assessment.
- C. Carry additional safety stock.
- D. Spread logistics across multiple carriers.

**Answer:** B

**NEW QUESTION 129**

- (Topic 2)

It is most appropriate to measure spending per customer as a proportion of profitability during which of the following phases of a supplier/customer relationship?

- A. Customer acquisition
- B. Customer retention
- C. Customer dependency
- D. Strategic customer care

**Answer:** B

**NEW QUESTION 133**

- (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 134**

- (Topic 2)

A company is formally adhering to the principles of the UN Global Compact. After a review of their supply chain, they have found that a key supplier is in violation of the compact. The best action for the company to do first is:

- A. do nothing
- B. The company is not responsible for compliance of suppliers.
- C. replace the supplier as soon as possible with a compliant supplier.
- D. notify the supplier of non-compliance.
- E. require the supplier to become compliant.

**Answer:** C

**NEW QUESTION 136**

- (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 139**

- (Topic 2)

When doing international business, a company's total line-haul costs will vary with the:

- A. weight shipped.
- B. distance shipped.
- C. pallets shipped.
- D. volume shipped.

**Answer:** B

**NEW QUESTION 142**

- (Topic 2)

Which of the following activities typically would be an appropriate application of the ISO 31000 Risk Management Principles and Guidelines?

- A. Calculating a risk index for each facility
- B. Establishing external risk communications processes
- C. Projecting the ability of a facility to recover from an event
- D. Preparing for risk management accreditation

**Answer: B**

#### **NEW QUESTION 145**

- (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 148**

- (Topic 2)

When an importer and manufacturer are operating in a free trade zone, payment of a customs duty is triggered when products are:

- A. returned.
- B. assembled.
- C. stored.
- D. distributed.

**Answer: D**

#### **NEW QUESTION 152**

- (Topic 2)

A firm has discovered a product quality issue. What should be the first step in responding to this issue?

- A. Determine the root cause of the quality issue.
- B. Separate the non-conforming products.
- C. Trace the location of the faulty product in the supply chain.
- D. Replace faulty products when they are returned by the end user.

**Answer: C**

#### **NEW QUESTION 157**

- (Topic 2)

A company that sells engineered-to-order products is planning implementation of a supplier relationship management system (SRM) for direct materials. Which of the following factors is most likely to make the implementation difficult?

- A. Complexity of the purchasing process
- B. Cost of the application software upgrades
- C. Management of variable lead times
- D. Resistance of material suppliers

**Answer: A**

#### **NEW QUESTION 161**

- (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 165**

- (Topic 2)

Benchmarking a firm's performance against industry competitors is most valuable because it can reveal:

- A. a competitor's manufacturing processes.
- B. a firm's leadership ranking relative to industry peers.
- C. which processes require improvement.
- D. that no further improvement is possible.

**Answer: C**

**NEW QUESTION 169**

- (Topic 2)

Customizing can be an effective warehousing strategy because it allows a company to:

- A. allocate available storage space to optimize handling costs.
- B. address trade-offs between space and material handling needs.
- C. effectively design its inbound and outbound dock areas.
- D. add value to the product through modification, labeling, and packaging.

**Answer: D**

**NEW QUESTION 171**

- (Topic 2)

Direct shipment distribution typically offers which of the following advantages?

- A. Risk pooling is facilitated.
- B. Demand variability is reduced.
- C. Service levels are increased.
- D. Lead times are reduced.

**Answer: D**

**NEW QUESTION 172**

- (Topic 2)

The globalization of a supply chain typically increases uncertainty and:

- A. production lead time.
- B. local competition.
- C. documentation complexity.
- D. product standardization.

**Answer: C**

**NEW QUESTION 176**

- (Topic 2)

In an advanced planning system, which of the following modules feeds the master planning module?

- A. Purchasing planning
- B. Demand planning
- C. Distribution planning
- D. Fulfillment planning

**Answer: B**

**NEW QUESTION 178**

- (Topic 2)

An increase in the inventory turnover rate for a supply chain typically would indicate that there has been a reduction in:

- A. prices to the end user.
- B. supply chain cost of sales.
- C. the manufacturer's inventory.
- D. the total supply chain inventory.

**Answer: D**

**NEW QUESTION 180**

- (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 182**

- (Topic 2)

The demand side of a traditional warehouse management system primarily is concerned with:

- A. receiving incoming goods.
- B. assigning storage locations.
- C. assembling outbound orders.
- D. forecasting product demand.

**Answer: C**

**NEW QUESTION 186**

- (Topic 2)

Which of the following distribution approaches for a low-volume, high-variety product line typically will result in the highest level of customer service and the lowest total distribution costs?

- A. Direct shipment from plant to customers
- B. Shipment from a central distribution warehouse
- C. Shipment through a multi-echelon distribution network
- D. Outsourcing the distribution function

**Answer:** A

**NEW QUESTION 188**

- (Topic 2)

Component commonality in manufacturing primarily allows a company to:

- A. optimize production runs for the components.
- B. use less-specialized machinery.
- C. decrease single-minute exchange of die processes.
- D. increase planning and control.

**Answer:** A

**NEW QUESTION 191**

- (Topic 2)

A company that is focused on customer relationship management is most likely to take which of the following actions for customers who have been profitable over time?

- A. Reduce the cost of serving them.
- B. Target them for higher margin services.
- C. Target them for greater attention.
- D. Charge them for administrative services used.

**Answer:** C

**NEW QUESTION 196**

- (Topic 2)

A toy company decides to buy more products from an overseas company to reduce costs. To make sure that goods clear customs more quickly, the company most likely would engage a:

- A. consolidator.
- B. overseas carrier.
- C. shipping association.
- D. freight forwarder.

**Answer:** D

**NEW QUESTION 197**

- (Topic 2)

A company originally based in Germany sets up companies in India, China, Vietnam, Mexico, and Brazil. It sources most of the raw materials locally and employs the local workforce to manage and produce finished goods. Most of the goods produced are consumed in the same country. The company can be classified as what type of enterprise?

- A. Globally integrated
- B. Domestic
- C. Multinational
- D. Virtual

**Answer:** C

**NEW QUESTION 199**

- (Topic 2)

A manufacturer is the leader of a group of trading partners that are collaborating to improve customer service levels and profitability. Which of the following methodologies would be most appropriate for synchronizing supply and demand across the supply chain?

- A. Sales and operations planning
- B. Distribution requirements planning
- C. Supply Chain Operations Reference-model
- D. Supply chain event management

**Answer:** A

**NEW QUESTION 200**

- (Topic 2)

A firm is undertaking a revision of its financial metrics to make them more comprehensive and has decided to use metrics such as return on investment (ROI), return on assets (ROA), and economic value added (EVA). This is an example of utilizing which of the following types of metrics?

- A. Activity based
- B. Stakeholder focused
- C. Financial sustainability
- D. Value chain

**Answer:** C

**NEW QUESTION 205**

- (Topic 2)

Which of the following outcomes occurs when direct shipping is used instead of a distribution network?

- A. Outbound transportation cost is reduced.
- B. Inventory velocity is reduced.
- C. Order-fill rates are reduced.
- D. Inventory obsolescence is reduced.

**Answer:** D

**NEW QUESTION 207**

- (Topic 2)

What is the primary benefit of using a central storage warehouse for all components rather than using point-of-use storage?

- A. Reduced need for bar codes and radio frequency identification technology
- B. Reduced material handling costs
- C. Ease of control and count accuracy
- D. Maintain a cleaner shop floor

**Answer:** C

**NEW QUESTION 209**

- (Topic 3)

The most significant reason for altering supply chain management practices in an organization would be a change in its:

- A. executive management.
- B. corporate strategy.
- C. profitability of operations.
- D. financial position.

**Answer:** B

**NEW QUESTION 212**

- (Topic 3)

Which of the following outcomes most likely is the primary reason for outsourcing production of a new product?

- A. Increase control of the supply chain
- B. Increase flexibility of the supply chain
- C. Reduce required capital investment
- D. Reduce the need for skilled workers

**Answer:** C

**NEW QUESTION 213**

- (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 217**

- (Topic 3)

Which of the following changes often leads to higher levels of inventory?

- A. Decrease in customer service level
- B. Decrease in vendor lead times
- C. Increase in economies of scale
- D. Increase in warehouse holding costs

**Answer:** C

**NEW QUESTION 218**

- (Topic 3)

A supplier disputes a low rating generated by a company's enterprise resources planning (ERP) system. Which of the following actions by the purchasing agent is most appropriate?

- A. Advise the ERP information technology manager that there is a flaw in the rating system.
- B. Scrap the vendor rating system until the company can figure out what is wrong.
- C. Compare the vendor and company detail records, and interview company employees who handled the data.
- D. Tell the supplier that, regardless of the disputed claims, the supplier must improve performance.

**Answer:** C

#### NEW QUESTION 221

- (Topic 3)

Customer demand is 120 units per week. The company works on a 9-hour shift per day, 5- day per week basis. Each shift has a ½-hour lunch break and two 15-minute coffee breaks. The cycle time is 12 minutes. To meet demand, production must occur at the rate of one unit every:

- A. 12 minutes.
- B. 20 minutes.
- C. 22.5 minutes.
- D. 28 minutes.

**Answer:** B

#### NEW QUESTION 225

- (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 229

- (Topic 3)

Implementation of supplier relationship management is most successful when a company emphasizes which of the following two factors?

- A. Cost reduction and product design
- B. Quality and partnerships
- C. Technology and productivity
- D. Capital investments and global expansion

**Answer:** B

#### NEW QUESTION 234

- (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 237

- (Topic 3)

What benefit does Radio Frequency Identification (RFID) technology provide for a high- volume, low-cost manufacturer?

- A. Reduces store thefts
- B. Eliminates the effects of bullwhip
- C. Eliminates stock out at store level
- D. Reduces number of touch points in pallet handling

**Answer:** D

#### NEW QUESTION 242

- (Topic 3)

A company operates under a make-to-order policy, and its supplier operates under a make- to-stock policy. Which of the following risks poses the greatest threat?

- A. Inventory risk for the company
- B. Inventory risk for the supplier
- C. Debt leverage risk for the company
- D. Debt leverage risk for the supplier

**Answer:** B



#### NEW QUESTION 245

- (Topic 3)

Which of the following factors is the most important driver of supply chain change?

- A. Health and safety concerns
- B. Competitor actions
- C. Government regulations
- D. Customer perceptions of value

**Answer:** D

#### NEW QUESTION 248

- (Topic 3)

A juice manufacturer wants to determine the time required to convert a dollar spent on materials into a dollar received in sales. Which of the following metrics would be most appropriate to make this determination?

- A. Activity-based costing
- B. Inventory carrying cost
- C. Cash-to-cash cycle time
- D. Average financial turnover

**Answer:** C

#### NEW QUESTION 250

- (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 252

- (Topic 3)

Supplier certification procedures verify that a supplier:

- A. is ISO certified.
- B. implements, documents, and improves procedures related to customer requirements.
- C. tracks manufacturing processes, including bills of material and routings to support the processes.
- D. manufactures products to the specifications shown on engineering documents and bills of material.

**Answer:** B

#### NEW QUESTION 254

- (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 259

- (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 260

- (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 265**

- (Topic 3)

Which of the following actions by trading partners would be most appropriate to protect against variability in supply and demand?

- A. Improve product quality.
- B. Increase inventory levels.
- C. Increase information sharing.
- D. Reduce product complexity.

**Answer:** :C

#### **NEW QUESTION 270**

- (Topic 3)

A firm may use which of the following technologies to track the flow of inventory across its entire supply chain?

- A. Distribution requirements planning
- B. Radio frequency identification
- C. Transportation management system
- D. Warehouse management system

**Answer:** B

#### **NEW QUESTION 275**

- (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 279**

- (Topic 3)

Which of the following activities is an important phase of product life-cycle management?

- A. Developing supplier relationships
- B. Implementing performance measurements
- C. Designing supply chain logistics
- D. Incorporating key design elements

**Answer:** D

#### **NEW QUESTION 282**

- (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 284**

- (Topic 3)

Which of the following characteristics is typical of a highly complex product when compared with a simple commodity product?

- A. Lower product cost
- B. Longer cycle time
- C. Increased ability to change
- D. Lower profitability

**Answer:** B

**NEW QUESTION 288**

- (Topic 3)

A company used Global Reporting Initiative guidelines to complete a self-assessment. Which of the following actions would be the most appropriate next step?

- A. Share information with all stakeholders
- B. Obtain top management support
- C. Identify action items
- D. Conduct gap analysis

**Answer:** D

**NEW QUESTION 293**

- (Topic 3)

Which of the following approaches most likely will help a company reduce its cost of sales while increasing customer loyalty?

- A. Business process design
- B. Business development mapping
- C. Customer relationship management
- D. Sales contact management

**Answer:** C

**NEW QUESTION 298**

- (Topic 3)

How does a mass customization product design strategy relate to component commonality, modular design, and product universality?

- A. Modular design is necessary for mass customization.
- B. Component commonality does not support mass customization.
- C. Universality is a prerequisite for mass customization strategy.
- D. Both universality and modular design are required for mass customization.

**Answer:** A

**NEW QUESTION 299**

- (Topic 3)

Which of the following factors is the most appropriate measure of delivery performance for finished goods?

- A. Perfect order fulfillment
- B. On-time delivery
- C. Load efficiency
- D. Available-to-promise

**Answer:** A

**NEW QUESTION 302**

- (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 304**

- (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 307**

- (Topic 3)

In an assemble-to-order manufacturing environment, the master production schedule is typically the schedule of:

- A. resources.
- B. customer orders.
- C. components and subassemblies.

D. the final assembly.

**Answer:** C

**NEW QUESTION 309**

- (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 313**

- (Topic 3)

A master production schedule serves a company best by functioning as a:

- A. dispatch list.
- B. forecast system buffer.
- C. priority planning tool.
- D. supplier scheduling system.

**Answer:** C

**NEW QUESTION 317**

- (Topic 3)

Which of the following situations is a consequence of global operations?

- A. Decreased logistic cost
- B. Increased logistic complexity
- C. Reduced product variety
- D. Longer lead times

**Answer:** B

**NEW QUESTION 318**

- (Topic 3)

Which of the following metrics would be most appropriate for a group of trading partners that is trying to gain competitive advantage through supply chain reliability?

- A. Cash-to-cash cycle time
- B. Supply chain response time
- C. Order-fill rate performance
- D. Value-added productivity per employee

**Answer:** C

**NEW QUESTION 319**

- (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 324**

- (Topic 3)

A retailer wants to partner with its suppliers to implement automatic replenishment of inventories and joint sales forecasts. Which of the following supply chain management technologies most likely would support the retailer's strategy?

- A. Advanced planning and scheduling
- B. Collaborative planning, forecasting, and replenishment
- C. Supplier relationship management applications
- D. Radio frequency identification (RFID) tags

**Answer:** B

**NEW QUESTION 328**

- (Topic 3)

Effective sales and operation planning (S&OP) is most likely to result in which of the following benefits?

- A. Better customer service
- B. Better product quality
- C. Lower product cost
- D. Lower work-in-process (WIP) inventory

**Answer:** A

**NEW QUESTION 331**

- (Topic 3)

Which of the following manufacturing strategies typically generates the lowest supply chain inventory?

- A. Make to Stock
- B. Assemble to Order
- C. Make to Order
- D. Engineer to Order

**Answer:** D

**NEW QUESTION 332**

- (Topic 3)

Which of the following supply chain strategies should be chosen if the lead-time for a product is long and the demand is not predictable?

- A. Inventory positioning
- B. Pull replenishment
- C. Continuous replenishment
- D. Push system

**Answer:** A

**NEW QUESTION 335**

- (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 337**

- (Topic 3)

The purpose of capacity requirements planning is to determine:

- A. the number of overtime hours required to complete a job.
- B. when equipment and labor are needed.
- C. what materials are needed.
- D. what materials require expediting.

**Answer:** B

**NEW QUESTION 341**

- (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 343**

- (Topic 3)

A company has limited visibility of global customer sales. Which of the following methods is the most appropriate way to sense and respond to customer demand?

- A. Point of sale
- B. Sales and operations planning
- C. Demand-driven supply network
- D. Customer relationship management

**Answer:** C

**NEW QUESTION 348**

- (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 353**

- (Topic 3)

Which of the following variables is the most appropriate customer-facing goal used to determine the target inventory level?

- A. Inventory turns
- B. Level of service
- C. Total delivery cost
- D. Delivery lead time

**Answer: B**

#### **NEW QUESTION 358**

- (Topic 3)

Which of the following tradeoffs should be considered when selecting logistics options?

- A. Safety stock levels and customer service levels
- B. Inventory levels and scheduling operations
- C. Transportation cost and speed of delivery
- D. Centralized and decentralized distribution network

**Answer: C**

#### **NEW QUESTION 360**

- (Topic 3)

Variation in upstream requirements can be reduced by increasing:

- A. demand visibility.
- B. production capacity.
- C. product features.
- D. safety stock.

**Answer: A**

#### **NEW QUESTION 361**

- (Topic 3)

Which of the following actions is most likely to improve the cash-to-cash cycle time?

- A. Find suppliers with lower total cost of ownership (TCO)
- B. Implement vendor-managed inventory (VMI) with key suppliers
- C. Implement vendor-managed inventory (VMI) with key customers
- D. Establish targeted promotions for the most profitable market segments

**Answer: B**

#### **NEW QUESTION 366**

- (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 371**

- (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 375**



- (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 378**

- (Topic 3)

Which of the following activities typically is included in a warehouse management system?

- A. Invoicing
- B. Freight-bill auditing
- C. Order processing
- D. Vehicle routing

**Answer:** C

#### **NEW QUESTION 381**

- (Topic 3)

One of the first steps in devising an effective supply chain strategy within a company is to analyze a product's:

- A. nature of demand.
- B. backlog position.
- C. forecast bias.
- D. sales performance.

**Answer:** A

#### **NEW QUESTION 385**

- (Topic 3)

A typical advantage of a production outsourcing strategy for a company focusing on agility as a competitive priority is that:

- A. monitoring costs are decreased.
- B. production lead time is increased.
- C. product quality is increased.
- D. product introduction time is decreased.

**Answer:** D

#### **NEW QUESTION 388**

- (Topic 3)

Which of the following supplier performance factors typically is most critical for organizations that outsource production?

- A. Speed
- B. Reliability
- C. Flexibility
- D. Malfunction recovery

**Answer:** B

#### **NEW QUESTION 391**

- (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 395**

- (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 396

- (Topic 3)

A company discovers that several high-volume customers have very erratic ordering patterns. Which of the following actions is most likely to reduce variability?

- A. Checking the demand status multiple times daily
- B. Establishing Internet-enabled collaborative relationships
- C. Implementing electronic data interchange transactions
- D. Increasing safety-stock levels for items these customers order

**Answer: B**

#### NEW QUESTION 399

- (Topic 3)

A company produces to stock and sells its products to distributors. The factor that most likely will contribute to the risk of loss in inventory investment is the:

- A. accuracy of demand forecasts.
- B. replenishment lead time.
- C. level of product quality.
- D. variability in supply.

**Answer: A**

#### NEW QUESTION 401

- (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 403

- (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 408

- (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 411

- (Topic 3)

Which of the following factors are fundamental to transportation performance?

- A. Full truck loads, maintenance, discounts
- B. Quality, Just-in-Time, invoicing
- C. Contract performance, order tracking, flexibility
- D. Cost, speed, delivery consistency

**Answer: D**

#### NEW QUESTION 412

- (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 417**

- (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 420**

- (Topic 3)

Which of the following principles is a core value of the UN Global Compact?

- A. Anti-Corruption
- B. Profitability
- C. Discrimination
- D. Employment

**Answer: A**

**NEW QUESTION 422**

- (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 426**

- (Topic 3)

The primary reason to establish a customer-dedicated warehouse is to:

- A. integrate and consolidate an assortment of inventory.
- B. position inventory to improve response time.
- C. balance inventory with consumption.
- D. equalize inbound and outbound logistics costs.

**Answer: B**

**NEW QUESTION 429**

- (Topic 3)

An information technology system that couples enterprise resources planning and an advanced planning system would be most appropriate for which of the following types of business operations?

- A. Multiple plants in multiple industries
- B. Multiple plants in the same supply chain
- C. Multiple supply chains of different products
- D. Multiple supply chains of the same product

**Answer: B**

**NEW QUESTION 432**

- (Topic 3)

Which of the following actions by a group of trading partners is most likely to improve the flow of funds among them?

- A. Increasing the level of information sharing and collaboration
- B. Negotiating a single set of terms for the trading partners
- C. Reducing the time allowed for the timely payment discount
- D. Implementing links among their information systems

**Answer: A**

**NEW QUESTION 437**

- (Topic 3)

Which of the following tools is most important in developing strategic sourcing?

- A. Price break analysis
- B. Network analysis
- C. Blanket purchase order

D. Spend analysis

**Answer:** D

**NEW QUESTION 442**

- (Topic 3)

A manufacturer with operations in an area prone to natural disasters is reviewing its sustainability strategy. Which of the following production strategies should the company implement to reduce the risk of supply interruptions?

- A. Centralized
- B. Decentralized
- C. Make-to-order
- D. Engineer-to-order

**Answer:** B

**NEW QUESTION 446**

- (Topic 3)

The primary contribution from an enterprise resources planning system in building supply chain capability is:

- A. real-time manufacturing planning.
- B. improved decision making.
- C. ease of implementation.
- D. timely order tracking.

**Answer:** B

**NEW QUESTION 448**

- (Topic 3)

Managing risk should be a strategic part of supply chain management because:

- A. the occurrence of unanticipated risks essentially can be eliminated.
- B. not all members of the supply chain consider and respond to the same types of risks.
- C. substantial financial penalties can be assessed if legal requirements are not met.
- D. it helps to reduce the occurrence and consequences of unplanned negative events.

**Answer:** :D

**NEW QUESTION 451**

- (Topic 3)

If a firm has 35 days of accounts payable outstanding and 55 days invested in inventory, and its cash-to-cash cycle time is 90 days, what is the number of days of accounts receivable?

- A. 70
- B. 90
- C. 110
- D. 180

**Answer:** A

**NEW QUESTION 453**

- (Topic 3)

A company is beginning the process of defining market segments for its products and services. The most appropriate objective for this undertaking would be to identify groups of customers with similar:

- A. geographical locations.
- B. buying power.
- C. revenue potential.
- D. service requirements.

**Answer:** D

**NEW QUESTION 456**

- (Topic 3)

The implementation of major enterprise-wide changes to eliminate or significantly reduce waste is related to which of the following concepts?

- A. Kaizen
- B. Kanban
- C. Six Sigma
- D. Lean

**Answer:** D

**NEW QUESTION 460**

- (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 463

- (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 467

- (Topic 3)

Which of the following metrics is the most appropriate measure of supply chain responsiveness?

- A. Order fulfillment lead times
- B. Percentage of orders delivered on time
- C. Retail inventory days of supply
- D. Upside production flexibility

**Answer:** D

#### NEW QUESTION 471

- (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 475

- (Topic 3)

An office furniture manufacturer observed that customers preferred to configure desks based on their available office space. To keep product costs to a minimum, yet satisfy customer needs, the company should choose which of the following design strategies?

- A. Modularity
- B. Component commonality
- C. Mass customization
- D. Standardization

**Answer:** A

#### NEW QUESTION 479

- (Topic 3)

During the sales and operations planning (S&OP) horizon, planned inventory can best be used to:

- A. implement a time-phased stock replenishment plan.
- B. allow for consistent production lot sizing.
- C. buffer the company against unknown fluctuations in demand.
- D. minimize storage and transportation costs.

**Answer:** C

#### NEW QUESTION 483

- (Topic 3)

Which of the following strategies is most appropriate for managing unknown risks in a global supply chain?

- A. Vertical integration
- B. Technology integration with suppliers
- C. Investing in redundancy
- D. Strengthening supplier relationships

**Answer:** C

**NEW QUESTION 484**

- (Topic 3)

Which of the following actions is key to identifying potential problems in lean supply chain development?

- A. Implement vendor managed inventory
- B. Install a supply chain solution
- C. Reduce customer order size
- D. Reduce inventory levels

**Answer:** D

**NEW QUESTION 486**

- (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 488**

- (Topic 3)

A car manufacturer has 40000 cars in inventory, of which 5000 are electric. The manufacturer expects to sell 5000 cars per day, of which 4000 are estimated to be gasoline cars. The days of supply for electric cars is:

- A. 40 days.
- B. 10 days.
- C. 8 days.
- D. 5 days.

**Answer:** D

**NEW QUESTION 490**

- (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 495**

- (Topic 3)

Which of the following processes is included in reverse logistics?

- A. Designing a new product out of recycled material
- B. Restoring a worn-out product to like-new condition
- C. Reducing the amount of packaging material in a product
- D. Eliminating toxic materials in a product

**Answer:** :B

**NEW QUESTION 500**

- (Topic 3)

Which two of the following tools should be used with an enterprise resources planning system to build realistic supply chain models and to plan the most profitable flow of goods across the chain?

- A. An advanced planning and scheduling system and simulators
- B. An inventory planning and management system and simulators
- C. A vendor managed inventory system and customer relationship management
- D. Customer activity planning and logistics management

**Answer:** A

**NEW QUESTION 505**

- (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 507**

- (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 511**

- (Topic 3)

Which of the following continuous improvement methodologies focuses on reduction of defects by reducing process variation?

- A. Just-in-Time (JIT)
- B. Kaizen
- C. Six Sigma
- D. Theory of constraints

**Answer:** C

**NEW QUESTION 514**

- (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 519**

- (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 521**

- (Topic 3)

A manufacturing company with limited competence in logistics plans to expand into an international market. The most appropriate initial action the company should take is to:

- A. buy a distribution company.
- B. build a distribution network.
- C. engage a third-party logistics company.
- D. gain logistics experience.

**Answer:** C

**NEW QUESTION 522**

- (Topic 3)

Continuous process improvement is characterized by which two of the following key steps?

- A. Quality circles and benchmarking
- B. Process review and supplier audits
- C. Analysis and assessment
- D. Observation and selection

**Answer:** C

**NEW QUESTION 525**

- (Topic 3)

A company uses multiple ingredients to make a product that is sold in multiple countries. Each country requires country-specific labels. A third-party supplier provides the country-specific labels. The most appropriate push-pull interface is:

- A. raw materials to product.
- B. product to labels.
- C. finished product with labels.
- D. customer to finished product.

**Answer: B**

#### **NEW QUESTION 528**

- (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 533**

- (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 535**

- (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 539**

- (Topic 3)

Turning the request-for-quotes process into a real-time auction setting most likely will:

- A. improve product quality.
- B. increase process costs.
- C. reduce cycle time.
- D. reduce bid cost.

**Answer: C**

#### **NEW QUESTION 542**

- (Topic 3)

E-business allows a firm to capitalize on the use of systems that:

- A. speed the receipt of e-mails between companies.
- B. permit real-time use of supply chain data.
- C. permit the use of batch-processed data.
- D. ensure security of proprietary data.

**Answer: B**

#### **NEW QUESTION 544**

- (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 546**

- (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 549**

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