

APICS

Exam Questions CSCP

Certified Supply Chain Professional



NEW QUESTION 1

- (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 2

- (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 3

- (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 4

- (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 5

- (Topic 1)

Reverse supply chain activity typically peaks nearest the beginning of which of the following stages of the product life cycle?

- A. Introduction
- B. Growth
- C. Maturity
- D. Decline

Answer: D

NEW QUESTION 6

- (Topic 1)

Which of the following organizational design choices is an example of vertical integration?

- A. Contracting with a third-party logistics provider
- B. Producing components used internally
- C. Externally staffing a customer service center
- D. Awarding a one-time trade show contract

Answer: B

NEW QUESTION 7

- (Topic 1)

A remanufacturer of equipment is most likely to have what type of supply chain?

- A. Modular logistics
- B. Reverse logistics
- C. Mixed model
- D. Lateral

Answer: B

NEW QUESTION 8

- (Topic 1)

The use of a seasonal index as a forecasting technique measures the ratio of the:

- A. average seasonal demand to the average demand for all periods.
- B. average demand for all periods to the average seasonal demand.
- C. average seasonal demand to the standard deviation of the demand for all periods.
- D. standard deviation of the seasonal demand to the standard deviation of demand for all periods.

Answer: A

NEW QUESTION 9

- (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 10

- (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 10

- (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 15

- (Topic 1)

A manufacturer can simplify the forecasting process by pooling demand forecasts for a product group and then:

- A. averaging total demand and spreading it evenly across all items.
- B. disaggregating demand to the item level based on marketing input.
- C. disaggregating demand to the item level based on historical proportions.
- D. allocating demand to each production site.

Answer: C

NEW QUESTION 16

- (Topic 1)

An advantage of using a third-party logistics service (3PL) is improved:

- A. on-time delivery of shipments due to higher inventory levels.
- B. cost structure due to economies of scale.
- C. access to smaller markets due to localization.
- D. risk visibility due to inventory consolidation.

Answer: B

NEW QUESTION 18

- (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 22

- (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 26

- (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 29

- (Topic 1)

Keeping all other factors equal, a company typically will try to maintain higher service levels for products with:

- A. wider variety.
- B. shorter lead time.
- C. higher profit margins.
- D. lower sales volumes.

Answer: C

NEW QUESTION 30

- (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 34

- (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 37

- (Topic 1)

A media company offers a majority of its movies through a specific distributor. The media company is beginning to produce content for a new foreign market to which the distributor has exclusive access. To maximize savings and gain entry to this new market, the media company should:

- A. create a contract for the new market.
- B. enter into a partnership.
- C. form a strategic alliance.
- D. acquire the distributor.

Answer: C

NEW QUESTION 38

- (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 40

- (Topic 1)

A company's annual cost of goods sold is \$350 million, and inventory carrying cost is 18%. The company averages four inventory turns. The cost savings resulting from increasing inventory turns from four to six would be:

- A. \$29,000,000.
- B. \$15,750,000.
- C. \$10,500,000.
- D. \$ 5,250,000.

Answer: D

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 47

- (Topic 1)

The factors to consider in the make-or-buy decision include costs, proprietary knowledge, and:

- A. design history.
- B. available capacity.
- C. inventory balance.
- D. warehouse location.

Answer: B

NEW QUESTION 50

- (Topic 1)

The primary reason for a firm to pursue strategic supply chain activities is to:

- A. gain competitive advantage.
- B. reduce costs.
- C. increase productivity.
- D. decrease product lead time.

Answer: A

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 58

- (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 60

- (Topic 1)

The focus of collaborative supply chain management differs from a transactional approach by its emphasis on the:

- A. transportation of goods to the next link in the chain.
- B. flow of product information up to the next level of the chain.
- C. flow of demand information and cash up the chain.
- D. flow of supply into an organization.

Answer: C

NEW QUESTION 62

- (Topic 1)

Which of the following levels in a supply chain network represents the most upstream external activity?

- A. Supplier to contractor
- B. Manufacturing to supplier
- C. Customer to distribution
- D. Customer to contractor

Answer: A

NEW QUESTION 65

- (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 67

- (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 68

- (Topic 2)

What are the steps in the supplier relationship process?

- A. Measure, fulfill, document, model
- B. Source, document, manage
- C. Measure, procure, fulfill, model
- D. Source, procure, fulfill, manage

Answer: D

NEW QUESTION 70

- (Topic 2)

The strategy to implement supplier relationship management has been developed. The most appropriate next step is to:

- A. develop criteria for prospective partners.
- B. develop policies for alliances.
- C. select initial partners.
- D. conduct a pilot implementation.

Answer: A

NEW QUESTION 73

- (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 78

- (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 81

- (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 85

- (Topic 2)

The United Nations Global Compact uses 10 guiding principles to:

- A. reduce uncertainty for multinational firms regarding legal, import/export, labor, and environmental standards across countries.
- B. set minimum levels of compliance across a broad range of transactional areas for businesses operating in multiple geographic regions.
- C. align the needs of businesses to increase profitability and the needs of individual countries to ensure their specific legal requirements are met.
- D. help ensure that markets, commerce, technology, and finance promote advancement of economies and societies everywhere.

Answer: D

NEW QUESTION 90

- (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 94

- (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 97

- (Topic 2)

When implementing e-commerce in the supply chain, a company's toughest challenge most likely will be:

- A. getting all vendors to computerize.
- B. translating data into universal standards.
- C. convincing the information technology department of the value.
- D. explaining the reason for change to customers.

Answer: B

NEW QUESTION 99

- (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 103

- (Topic 2)

Which of the following measures effectively evaluates overall resources in a distribution warehouse?

- A. Throughput
- B. Cube utilization
- C. Filled pallet positions
- D. Labor efficiency

Answer: A

NEW QUESTION 107

- (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 111

- (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 114

- (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 116

- (Topic 2)

A manufacturer of consumer packaged goods with a single plant and nine regional distribution centers is considering reducing the number of distribution centers in its system. Reducing the number of distribution centers most likely will reduce fixed warehousing and the cost of:

- A. storing cycle inventory in the distribution centers.
- B. storing finished-goods inventory at the manufacturing plants.
- C. transportation from the distribution centers to the customer.
- D. transportation from the plant to the distribution centers.

Answer: D

NEW QUESTION 117

- (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 121

- (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 124

- (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 126

- (Topic 2)

The best way to manage a business relationship is to measure performance to:

- A. cost of ownership metrics.
- B. quality targets.
- C. on-time delivery.
- D. agreed-upon metrics.

Answer: D

NEW QUESTION 131

- (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 136

- (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 138

- (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 142

- (Topic 2)

A manufacturer offers a trade-in allowance on a new machine when the customer returns the old machine. The manufacturer reconditions the returned machine locally and then sells it on the used market for a profit. This program is an example of a focus on:

- A. environmentally sensitive engineering.
- B. gray box design.
- C. green manufacturing.
- D. sustainability in operations.

Answer: D

NEW QUESTION 144

- (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 146

- (Topic 3)

Which of the following actions best exemplifies an appropriate demand management strategy?

- A. Reducing costs in the procurement of goods
- B. Prioritizing demand when supply is constrained
- C. Maximizing sales orders from customers
- D. Updating the sales and operations planning (S&OP) to changes in production capacity

Answer: B

NEW QUESTION 151

- (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 153

- (Topic 3)

Which of the following behaviors is appropriate for a progressive company that is responding to changes in its supply chain?

- A. Pursuing cost reduction continuously
- B. Developing multiple supply chains for different product lines
- C. Ensuring demand before committing to a change in the supply chain
- D. Designing products for maximum lifetime

Answer: B

NEW QUESTION 155

- (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 156

- (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 160

- (Topic 3)

On-time delivery performance in the supply chain can best be improved by aligning required capacity with what type of capacity?

- A. Demonstrated
- B. Rated
- C. Budgeted
- D. Theoretical

Answer: A

NEW QUESTION 161

- (Topic 3)

A company understates current revenue forecasts and delays the delivery of orders to meet the forecast. The most likely result of this practice is that shipments will peak:

- A. at the beginning of reporting periods.
- B. randomly throughout reporting periods.
- C. at both the beginning and end of reporting periods.
- D. at the end of reporting periods.

Answer: A

NEW QUESTION 164

- (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 165

- (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 167

- (Topic 3)

To ensure a successful relationship, trading partners must adapt their organizations to leverage advantages found in cross-supply-chain collaboration because:

- A. customers and suppliers are not interactive.
- B. cross-functional support can be offered only by the central source.
- C. all entities are collectively responsible for growth of revenue and profits.
- D. risks in supplier/customer negotiations are reduced.

Answer: :C

NEW QUESTION 169

- (Topic 3)

The most appropriate frequency for the sales and operations planning process typically is:

- A. weekly.
- B. monthly.
- C. quarterly.
- D. annually.

Answer: B

NEW QUESTION 174

- (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 175

- (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 177

- (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 180

- (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 185

- (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 186

- (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 191

- (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 192

- (Topic 3)

Which of the following technologies directly enables pulling products through the supply chain?

- A. Automatic identification system (AIS)
- B. Point of sale (POS) system

- C. Customer relationship management (CRM)
- D. Supply chain event management (SCEM)

Answer: B

NEW QUESTION 193

- (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 196

- (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 200

- (Topic 3)

A company has outsourced a high volume of assembly work to top-tier suppliers, thereby reducing the overall number of suppliers they directly manage. Which of the following actions must the company perform to mitigate risk?

- A. Monitor lead times at sub-tier suppliers
- B. Maintain direct relationships with sub-tier suppliers
- C. Execute all terms of contracts at sub-tier suppliers
- D. Purchase all critical components for assembly at the company

Answer: B

NEW QUESTION 204

- (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 207

- (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 211

- (Topic 3)

A company has recently implemented a vendor-managed inventory (VMI) program with several key suppliers but quality issues are disrupting production. Which of the following actions would be more effective in dealing with these issues?

- A. Tighten the quality tolerances
- B. Implement a supplier certification program
- C. Implement quality inspection at the receiving dock
- D. Charge back to the supplier the rework and scrap costs

Answer: B

NEW QUESTION 212

- (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 216

- (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 221

- (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 225

- (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 227

- (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 231

- (Topic 3)

A company has revenues of \$100,000, which includes 10% supply chain expense and 80% other expenses. Which of the following actions will result in the largest increase in gross profit?

- A. Increase sales by 25%.
- B. Increase sales by 10% and reduce supply chain expense to 8%.
- C. Increase sales by 15% and reduce supply chain expense to 9%.
- D. Reduce supply chain expense to 5%.

Answer: :D

NEW QUESTION 235

- (Topic 3)

A company may reduce its amount of safety stock by:

- A. substituting information for inventory.
- B. increasing the number of retailers.
- C. increasing the number of producers.
- D. changing to a push system.

Answer: A

NEW QUESTION 239

- (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 241

- (Topic 3)

In determining warehouse velocity, the average inventory level is calculated by dividing the annual sales through the warehouse by the:

- A. total square footage of the warehouse.
- B. inventory turnover rates for the warehouse.
- C. annual weight through the warehouse.
- D. annual cube through the warehouse.

Answer: B

NEW QUESTION 243

- (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 244

- (Topic 3)

Which of the following outcomes is an expected benefit of effectively implementing supply chain event management software?

- A. Inventory data are captured in real time.
- B. Files are transferred from one corporation to another.
- C. Notifications of variances from plans are triggered.
- D. Communication protocols between companies are standardized.

Answer: C

NEW QUESTION 248

- (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 250

- (Topic 3)

The practice of purchasing items in large quantities and requesting that shipments be delivered directly to customers is referred to as:

- A. drop shipping.
- B. cross-docking.
- C. breaking bulk.
- D. freight equalization.

Answer: A

NEW QUESTION 252

- (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 257

- (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 259

- (Topic 3)

Value stream mapping is a useful tool primarily because it:

- A. redefines supply chain relationships.
- B. is completed in 1 or 2 days.
- C. is used to improve efficiency in a specific area.
- D. looks at the entire supply chain rather than an isolated process.

Answer: D

NEW QUESTION 261

- (Topic 3)

The production scheduler for a bottleneck resource should:

- A. schedule additional preventive maintenance for the resource.
- B. ensure a constant queue of work waiting to be processed.
- C. increase production lot sizes to increase utilization of resources.
- D. implement pull signals for production of the bottleneck resource.

Answer: B

NEW QUESTION 262

- (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 265

- (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 268

- (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 269

- (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 270

- (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 271

- (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 275

- (Topic 3)

Which of the following statements is true when a contract manufacturing agreement is implemented?

- A. There is no longer a need for material requirements planning.
- B. The total cost of acquiring products will decrease.
- C. Communications and project management are key factors for success.
- D. Assets on the contract manufacturer's balance sheet typically will decrease.

Answer: C

NEW QUESTION 277

- (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 280

- (Topic 3)

Which of the following outcomes is most likely a result of allocating excess capacity to a supply chain facility?

- A. Lower utilization which leads to higher cost
- B. Higher utilization which leads to higher cost
- C. Higher utilization which leads to lower cost
- D. Lower utilization which leads to lower cost

Answer: A

NEW QUESTION 284

- (Topic 3)

Lean supply chains strive to achieve their objectives by using which of the following approaches?

- A. Inventory optimization
- B. Cost reduction
- C. Waste reduction
- D. Quality function deployment (QFD)

Answer: C

NEW QUESTION 287

- (Topic 3)

The most appropriate approach to balance supply and demand over the medium term is:

- A. Enterprise resource planning (ERP)
- B. Business planning
- C. Strategic planning
- D. Sales and operations planning (S&OP)

Answer: D

NEW QUESTION 292

- (Topic 3)

A company plans to benchmark its shipping reliability compared to other companies in the industry. Which measurement is most appropriate to benchmark in this case?

- A. Perfect order fulfillment
- B. Upside supply chain flexibility
- C. Order fulfillment cycle time
- D. Total inventory days of supply

Answer: A

NEW QUESTION 294

- (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 298

- (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 300

- (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 305

- (Topic 3)

A supervisor knows that employees have good ideas for improving department operations but are hesitant to share them. Which of the following tools would be most appropriate for encouraging the employees to participate in identifying opportunities?

- A. Tree diagram
- B. Pareto chart
- C. Process map
- D. Affinity diagram

Answer: D

NEW QUESTION 306

- (Topic 3)

The primary focus of lean manufacturing is:

- A. eliminating activities that do not add value.
- B. reducing inventory levels.
- C. optimizing production activities.
- D. maximizing the output of constraints.

Answer: A

NEW QUESTION 311

- (Topic 3)

A firm expands distribution of its products into additional countries. Some customers initiate order batching, which could lead to which of the following outcomes?

- A. Bullwhip effect
- B. Price fluctuations
- C. Rationing
- D. Better forecasting

Answer: A

NEW QUESTION 314

- (Topic 3)

An advanced planning system differs primarily from enterprise resources planning by:

- A. optimizing operations scheduling.
- B. translating plans into action.
- C. concentrating on production.
- D. linking to the transportation management system.

Answer: A

NEW QUESTION 318

- (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 323

- (Topic 3)

A company that locates manufacturing facilities in different countries so that an economic downturn in one country most likely will be offset by business in another country is employing what type of strategy?

- A. Speculative
- B. Hedge
- C. Flexible
- D. Forecast

Answer: B

NEW QUESTION 325

- (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 330

- (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 334

- (Topic 3)

A large bicycle company has outsourced manufacturing and needs to respond immediately to any logistics problems in the supply chain. The best technological solution to meet this need is:

- A. enterprise resources planning.
- B. supply chain event management.
- C. supplier relationship management.
- D. a transportation management system.

Answer: B

NEW QUESTION 339

- (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: B Explanation: NEW QUESTIONS

NEW QUESTION 340

- (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 342

- (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 346

- (Topic 3)

Compared to the traditional enterprise resources planning (ERP) system, an electronic business system (EBS) is preferred for today's e-business solution because EBS:

- A. is more flexible and functional.
- B. is the backbone of outsourcing services.
- C. has converged with Web-based applications to form a grouping of business software functions.
- D. encompasses e-procurement as a traditional purchasing function.

Answer: C

NEW QUESTION 347

- (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 348

- (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 353

- (Topic 3)

Value stream mapping provides the most benefit when:

- A. analyzing customer requirements.
- B. identifying nonvalue-added activities.
- C. planning kaizen events.
- D. implementing an information technology strategy.

Answer: B

NEW QUESTION 355

- (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 357

- (Topic 3)

Which of the following circumstances best describes a roadblock to implementing customer relationship management and supplier relationship management?

- A. Concern about conflicts of interest with partners in the supply chain
- B. Lack of defined industry standards
- C. Deterioration of customer service levels
- D. Increased access to information for supply chain partners

Answer: A

NEW QUESTION 359

- (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 363

- (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 368

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