



Free Questions for L3M1 by actualtestdumps

Shared by Barnes on 15-04-2024

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

The primary purpose of a public sector organisation is to:

Options:

- A- Boost national prestige
- B- Create jobs
- C- Make profit
- D- Provide services

Answer:

D

Explanation:

The correct answer is to provide services. However, some other secondary factors may come into play. For example, some public sector organisations may be encouraged to boost national prestige eg airports, airlines; or they may be used as job creation schemes.

Question 2

Question Type: MultipleChoice

A market situation where there is only one supplier is called:

Options:

- A- Oligopoly
- B- Imperfect competition
- C- Monopsony
- D- Monopoly

Answer:

D

Explanation:

The correct answer is, of course, 'monopoly'.

Question 3

Question Type: MultipleChoice

The price of one currency expressed in terms of another currency is called the:

Options:

- A- Base rate
- B- Equilibrium rate
- C- Exchange rate
- D- Interest rate

Answer:

C

Explanation:

Exchange rate - the rate at which the currencies are exchanged. This rate can vary frequently, some-times several times per hour, depending on circumstances.

The interest rate is the rate charged on loans - the cost of borrowing.

The base rate is the basic interest rate used for agreeing loans within an economy. This rate is nor-mally set by the government or the central bank. Loans within that economy will usually be at a higher rate than the base rate, often much higher.

The equilibrium rate (more commonly 'equilibrium price') is the rate at which supply and demand meet, not necessarily related to currency.

Question 4

Question Type: MultipleChoice

Thinking of Michael Porter's Industry Structure Analysis (commonly referred to as Five Forces Analysis), which of the following are seen as threats (select all that apply):

Options:

A- Substitutes

B- Buyers

C- New entrants

D- Suppliers

Answer:

A, C

Explanation:

The model speaks of the threat of new entrants and the threat of substitutes. New entrants are particularly attracted by high profitability in the sector. Substitutes can come about in a number of ways for example, through lower prices or because of technology.

Question 5

Question Type: MultipleChoice

In Hofstede's dimensions of differences in national cultures, which one measures the extent to which security, order, control and predictability are preferred to ambiguity, risk and change?

Options:

- A- Long-term orientation
- B- Power-distance
- C- Individualism
- D- Masculinity
- E- Uncertainty avoidance

Answer:

E

Explanation:

The answer is uncertainty avoidance. Even if you have never heard of Hofstede, you can select the correct answer based on the explanation given in the QUESTION NO :.

Although the word 'culture' does not appear in the syllabus, much of Learning Outcome 3.0 can be seen as referring to culture. Some understanding of culture, both organisational culture and national culture is essential to human interactions in the procurement and supply environment. Check out Geert Hofstede's website to learn more about his work.

Question 6

Question Type: MultipleChoice

Why is procurement governance important?

Select all that apply.

Options:

- A- It's not important
- B- Procurement has sway over large sums of organisational funds
- C- There may be potential opportunities to commit fraud
- D- Procurement's decisions benefit some suppliers over others

Answer:

A, C, D

Explanation:

It is important, for the reasons given in the three correct answers.

Question 7

Question Type: MultipleChoice

Which one of the following is a commercial document issued by a seller stating what the cost would be of supplying certain goods or services, normally in response to an enquiry by the buyer?

Options:

- A- Request for quotation
- B- Supplier quotation
- C- Pre-qualification QUESTION NO : naire
- D- Commercial invoice

Answer:

B

Explanation:

It's a supplier quotation.

Both the RFQ and the PQQ (sometimes known as 'SQ') are issued by the buying side, not the selling side.

A commercial invoice doesn't tell you what the price 'would be' - it tells you what is owed after the event (usually - an exception being with prepayment in mind; or a 'proforma invoice' which is issued in some circumstances, especially internationally).

Question 8

Question Type: MultipleChoice

Public sector procurement has a wider group of stakeholders than private sector. True or false?

Options:

A- False

B- True

Answer:

B

Explanation:

This is normally true, often resulting in greater complexity in managing public sector organisations.

To Get Premium Files for L3M1 Visit

<https://www.p2pexams.com/products/l3m1>

For More Free Questions Visit

<https://www.p2pexams.com/cips/pdf/l3m1>

