Category Management Association Category-Manager Practice Questions

Shared by Galloway on 03-11-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

What is the primary goal of SKU rationalization in supply chain management?

Options:

A- To increase the number of products available to customers
B- To eliminate all high-cost products from the inventory
C- To focus solely on high-demand seasonal products
D- To reduce complexity by removing slow-moving and redundant products

Answer:

D

Explanation:

The correct answer is D.

SKU rationalization is about improving the product mix by removing or consolidating items that create unnecessary complexity without contributing enough value. The CPCM course includes Efficient Assortment and Retailer Economics and the Product Supply Chain, which means assortment decisions are not only shopper-facing; they also affect inventory, operations, cost, and execution. The CMKG supply-chain material states that product supply chain affects ''inventory, forecasting, availability, cash flow, service levels, and ultimately the shopper experience.''

Option D is the only answer that reflects the real supply-chain objective: reduce operational complexity by removing slow-moving, duplicated, or redundant SKUs. Option A is the opposite; adding more products can increase complexity. Option B is too aggressive because high-cost products may still be profitable or strategically important. Option C is too narrow because SKU rationalization is not only about seasonal demand.

Question 2

Question Type: MultipleChoice

What does price elasticity measure in the context of pricing strategies?

Options:

A- The relationship between product quality and customer satisfaction
B- How seasonal trends affect customer demand
C- The impact of advertising on sales volume
D- How sensitive customer demand is to price changes

Answer:

D

Explanation:

The correct answer is D.

The CPCM pricing analytics course covers advanced analytic techniques used to assess retailer pricing, including price-setting rules and methods used to evaluate pricing decisions. Price elasticity is one of the core pricing analytics concepts because it measures how demand responds when price changes. Harvard Business Review defines price elasticity as showing how responsive customer demand is for a product based on its price.

Option D is the only answer that correctly describes price elasticity. It is about demand sensitivity to price changes.

Option A is wrong because product quality and satisfaction are consumer perception measures. Option B is seasonality analysis. Option C is advertising or promotion response analysis. None of those define price elasticity.

Question 3

Question Type: MultipleChoice

Using the chart, what is the most complete insight for Mid-Mart regarding the Snack Category?

Options:

A- The Snack Category is 5.0 points behind the Total Store driven by the Club Channel and represents a $10,000 opportunity.
B- The Snack Category is 5.0 points behind the Total Store.
C- The Snack Category is 5.0 points behind the Total Store driven by the AO Grocery Channel and represents a $10,000 opportunity.
D- The Snack Category is 5.0 points behind the Total Store and represents a $10,000 opportunity.

Answer:

A

Explanation:

The correct answer is A.

The CPCM course emphasizes turning data into insights and then into action. It states that category managers must draw insights from data, understand tactical analysis, and identify category opportunities that can be acted on through category tactics. This question is testing exactly that: not just calculating the gap, but identifying the gap, the source of the gap, and the dollar opportunity.

From the chart:

Mid-Mart ACV share = 25.0%

Mid-Mart Snack share = 20.0%

So Mid-Mart is:

25.0% - 20.0% = 5.0 points behind Total Store

The total Snack market is $200,000. If Mid-Mart achieved its fair share of Snacks based on its 25% Total Store ACV share, expected Snack sales would be:

$200,000 25% = $50,000

Actual Mid-Mart Snack sales are:

$40,000

So the opportunity is:

$50,000 - $40,000 = $10,000

The driver is the Club Channel, because Club has 25% ACV share but 30% Snack share. Club is 5 points over fair share, while AO Grocery is exactly aligned at 50% ACV share and 50% Snack share. Therefore, the most complete insight is that Mid-Mart is 5.0 points behind Total Store, the gap is driven by the Club Channel, and the opportunity is $10,000.

Question 4

Question Type: MultipleChoice

What is the best data source to understand how a Retailer is performing in a Category versus

their competitors in the market?

Options:

A- Retailer POS Data
B- Retailer Loyalty Data
C- Syndicated Panel Data
D- Syndicated POS Data

Answer:

D

Explanation:

The correct answer is D.

The CPCM course identifies Building Data Competency: POS Data as part of the CPCM curriculum and explains that POS data includes retailer and third-party scanned sales data, with trends, sales, profitability, distribution, and shopper insights reviewed in the context of retail POS data.

The phrase ''versus their competitors in the market'' is the key. A retailer's own POS data shows that retailer's internal sales, but it does not show how competing retailers are performing. Syndicated POS Data aggregates scanned sales across the broader market, so it is the correct source for comparing retailer category performance against competitors.

Option A is wrong because Retailer POS Data is limited to one retailer's own sales. Option B is wrong because Retailer Loyalty Data explains known shopper behavior within that retailer, not market-level competitor performance. Option C is wrong because Syndicated Panel Data is stronger for household/shopper behavior, not scanned sales comparison across retailers.

Question 5

Question Type: MultipleChoice

Why is it important for Category Managers to align promotional planning with supply chain capabilities?

Options:

A- To reduce the need for supplier collaboration during promotions.
B- To increase the variety of products offered during promotions.
C- To ensure product availability during high-demand periods and minimize stockouts.
D- To prioritize marketing goals over supply chain constraints.

Answer:

C

Explanation:

The correct answer is C.

Promotions create demand spikes. If the supply chain is not prepared, the promotion can fail because stores run out of product, shoppers cannot buy, and the retailer loses sales. The CPCM course treats promotion as a driver of incremental sales, while CMKG's supply-chain material emphasizes that supply chain affects inventory, forecasting, availability, service levels, and the shopper experience.

That is why category managers must align promotional planning with supply-chain capability. The promotional plan must be supported by forecasted demand, inventory, replenishment, supplier readiness, store execution, and lead times.

Option A is wrong because promotions usually require more collaboration, not less. Option B may happen in some promotions, but variety is not the main reason for supply-chain alignment. Option D is dangerous because ignoring supply-chain constraints creates out-of-stocks and failed promotions. The correct answer is C: protect availability during high-demand periods and minimize stockouts.

Question 6

Question Type: MultipleChoice

Which of the following most accurately describes incremental contribution?

Options:

A- The volume to be expected when adding an item to a category.
B- None of these describe incremental contribution.
C- The additional category volume from adding a particular item.
D- The additional item volume realized from the addition of an item.

Answer:

C

Explanation:

The correct answer is C.

In efficient assortment, incremental contribution is not simply the sales volume of the item being added. The key word is incremental. It means the extra volume the category gains after accounting for substitution, switching, and cannibalization from existing items. The CMA/CPCM standards for Efficient Assortment specifically include the requirement to ''generate incremental item contribution by understanding cannibalization and source of volume.''

Option C is the best answer because it defines the net additional category volume created by adding a particular item. Option A is incomplete because expected item volume may include volume stolen from existing items. Option D is wrong because it focuses only on the added item's own volume, not the category-level increment. Option B is wrong because option C accurately describes the concept.

Question 7

Question Type: MultipleChoice

Define Share of Wallet (SOW) for a retailer.

Options:

A- The proportion of shoppers who enter a store and proceed to make a purchase in a specific category over a given timeframe.
B- The proportion of a customer's total spending within a specific product category that goes to a particular retailer, as opposed to competitors, over a given timeframe.
C- The proportion of a customer's total spending within a specific product category that is spent in the marketplace.
D- The proportion of shoppers who enter a store and proceed to make a purchase in a specific category in a single trip.

Answer:

B

Explanation:

The correct answer is B.

Share of Wallet is a retailer shopper-performance measure. It looks at how much of a shopper's total category spending is captured by one retailer versus competing retailers. The CPCM material places this type of analysis inside consumer/shopper analytics, where household panel data is used to understand consumer behavior and the dynamics that drive category and brand performance. The official CPCM course description states that household panel data helps teams ''get a clear picture of consumer behavior'' and adjust strategies around the consumer dynamics driving category performance.

Option A describes buyer conversion or shopping conversion, not share of wallet. Option C is incomplete because it only says spending in the marketplace; SOW must identify how much of that spend goes to the specific retailer. Option D is also conversion-based because it focuses on shoppers entering a store and buying in a single trip.

Question 8

Question Type: MultipleChoice

Which of the following purchase behaviors best explains the category performance?

Dollars: +5%

Number of Households: +2%

Trips per Household: -2%

Units per Trip: +3%

Dollars per Unit: +2%

Options:

A- Increase in Total Baskets
B- Increase in Number of Households
C- Increase in Units per Trip
D- Increase in Dollars per Unit

Answer:

C

Explanation:

The correct answer is C.

The category dollars increased by +5%. To identify what best explains that performance, compare the listed purchase-behavior drivers. The strongest positive driver shown is Units per Trip at +3%. Number of Households is also positive at +2%, and Dollars per Unit is positive at +2%, but neither is as strong as Units per Trip. Trips per Household is negative at -2%, so it cannot be the best explanation for growth.

CMKG's shopper analytics explanation supports this type of driver analysis. It explains that sales are driven by household purchasing behavior and spending, and gives the formula: Total Number of Buying Households Spend per Buying Household = Dollar Sales. CMKG further breaks spending into purchase occasions and spend per trip, which is exactly the kind of logic tested in this question.

Option A is wrong because total baskets are not clearly increasing; the household gain is offset by the decline in trips per household. Option B is partially correct but not the strongest driver. Option D is also positive, but +2% is lower than the +3% gain in units per trip.

Question 9

Question Type: MultipleChoice

A successful promotion strategy considers which key metrics to fully understand performance success?

Options:

A- Shopper Metrics (trips and baskets)
B- Internal POS Data
C- Internal Profit Data
D- Syndicated POS Data

Answer:

A

Explanation:

The wording says ''key metrics'', and among the options, Shopper Metrics --- trips and baskets is the only option that is actually framed as a performance metric set. The other choices ---

Internal POS Data, Internal Profit Data, and Syndicated POS Data --- are data sources or datasets, not the best single answer to ''which key metrics.''

Question 10

Question Type: MultipleChoice

What does a high Sales per Point of Weighted Distribution (SPWD) indicate about a product's performance?

Options:

A- It suggests the product is underperforming in its available outlets
B- It reflects the total revenue generated by the product.
C- It shows that the product is available in a large number of stores.
D- It indicates strong sales performance relative to the product's distribution.

Answer:

D

Explanation:

The correct answer is D.

SPWD is a velocity/productivity measure. A high SPWD means the product is generating strong sales for each point of weighted distribution it has. In other words, the product is performing well where it is available, even if it does not yet have broad distribution.

NielsenIQ explains that sales per distribution point accounts for distribution and ranks products on sales productivity based on distribution levels. It also gives the key interpretation: a product with higher total sales is not necessarily more productive if it has much higher distribution. That is exactly why option D is correct.

Option A is the opposite of the correct interpretation. A high SPWD does not suggest underperformance; it suggests strong velocity. Option B is wrong because total revenue alone does not account for distribution. Option C is wrong because broad availability is measured by distribution or ACV weighted distribution, not by SPWD. A product can have low distribution and still have high SPWD if it sells strongly in the outlets where it is carried.

Question 11

Question Type: MultipleChoice

How does reducing the SKU count impact labor and operating expenses (OPEX)?

Options:

A- It has no impact on labor or operating expenses
B- It increases the complexity of inventory management, raising labor costs.
C- It simplifies ordering, receiving, stocking, and inventory management, lowering labor and OPEX
D- It primarily increases customer satisfaction without affecting labor or OPEX.

Answer:

C

Explanation:

The correct answer is C.

Reducing SKU count can lower operational complexity because fewer items generally mean fewer products to order, receive, stock, count, replenish, manage, and maintain in the system. The CPCM course identifies Efficient Assortment as the analytical process behind product assortment and also teaches Retailer Economics and the Product Supply Chain, including the drivers of a retailer's financial statement and the retail math calculations tied to business results.

The real-world operating logic is straightforward: unnecessary SKUs create handling work, shelf complexity, replenishment complexity, inventory carrying cost, and execution burden. SKU rationalization is commonly used to reduce complexity, lower handling costs, improve shelf utilization, and increase operational efficiency.

Option A is wrong because SKU count clearly affects operational workload. Option B is the opposite of the correct answer; reducing SKUs normally decreases complexity rather than increasing it. Option D is incomplete because assortment simplification may help shoppers, but the question specifically asks about labor and OPEX.

To Get Premium Files for Category-Manager Visit

https://www.p2pexams.com/products/category-manager

For More Free Questions Visit

https://www.p2pexams.com/category-management-association/pdf/category-manager

