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Question 1

Question Type: MultipleChoice

What is business case?

Options:

A- Explanation:

A business case is a document containing the justification and the commercial benefits achievable for a potential project or an identified need, for example, the purchase of a capital equipment, construction of an additional warehouse or procuring more innovative software to replace the current one in use.

The essence of the business case is to obtain support and get buy-in from senior management.

In order to gain authority to apply whole life asset management a business case will need to be created and presented. A developed business case will cover the following elements.

- 1) Introduction: Outline of what the business case is all about
- 2) Objective: Explanation of what the business case desired outcome is.
- 3) Approach that will be undertaken
- 4) List of resources required
- 5) Benefits of achieving the objective

*

Refer to the question column for response

Answer:

A

Question 2

Question Type: MultipleChoice

When should whole life asset management be applied?

Options:

A- Explanation:

When organization has made the decision about which option is best for sourcing the asset, it can then begin to work on the whole life asset management strategy.

Whole life asset management is the process of evaluating the total price and all associated costs of a product to make an informed decision as to which option will provide the organization with the best value for money. This strategy is only under taken for large-value procurements because; 1) It takes considerable time (2) It involves many stakeholders and require numerous resources; If whole life asset management were conducted on every purchase it would not create value for the organization and that may tie up valuable resources.

Answer:

A

Question 3

Question Type: MultipleChoice

Write down a list of assets that belong to an organization with which you are familiar.

Options:

A- Explanation:

Assets are things that an organization owns regarded as having value and available to meet debt and generate revenue. The following are list of assets owned by Fullpower project, a shoe manufacturing firm;

- 1) Machinery,
- 2) a factory,
- 3) an innovative software,
- 4) skills of its personnel,
- 5) land,
- 6) Distribution network.
- 7) Its long time relationship with experienced suppliers of raw materials and Distributors of finished shoes.

Answer:

A

Question 4

Question Type: MultipleChoice

Describe a current or recent trade war of which you are aware and explain the implication it has for world trade.

Options:

A- Explanation:

Trade war is an economic conflict where countries make it difficult for global trading to happen. Trade wars can make importing products to a country very expensive. A recent example is the US-China trade war; prices were raised on us-built vehicles exported to China. This affected consumer the most as there was an upshot of price.

Answer:

A

Question 5

Question Type: MultipleChoice

What advantages could there be to holding excessive inventory?

Options:

A- Explanation:

Holding excessive inventory can reduce the impact of extended lead time. i.e. by saving the buying organization from downtime, reputation loss, and also it can generate revenue for the organization if there is a sudden increase in demand.

Answer:

A

Question 6

Question Type: MultipleChoice

Describe three ways that hidden cost could present themselves within the logistics operation

Options:

A- Explanation:

Hidden costs are costs that do not always present themselves at the onset of the project.

Logistics can provide a hidden cost within global sourcing. The movement of goods can generate risk within a localized supply chain, but the risk is greater within global sourcing. Within global sourcing there are usually many more aspects to the logistics operation, hidden cost associated with the logistics process includes; 1) delays that can be experienced after placing orders, 2) unclear and poor/incorrect communication that might affect the successes of the transaction, also 3) goods could be confiscated by customs for unseen reasons.

Answer:

A

Question 7

Question Type: MultipleChoice

Explain how a lack of understanding of a global supplier's culture and ethical behavior could cost buying organization money.

Options:

A- Explanation:

Organizational culture is made up of behaviors, traits, values and beliefs and these differ significantly across the globe. Gestures that

may be positive in one country can be highly offensive in another. This culture could mean; for example, individualistic/collectivistic, masculine/feminine, uncertainty avoidance, power distance, Time perspective, indulgence/restraint.

When negotiating and forming contracts within the extended supply chain, it is important that the culture of the suppliers is understood to be compatible with the buying organization or else their might be loss of reputation, time, money material and equipment.

Also, being not aware of what is an acceptable ethically behavior in global sourcing can cost a buying organization. In some countries, bribery and kickbacks are a standard part of doing business. If procurement professional is not aware of the fact that some countries methods of doing business involves or expect kickbacks, for example, this could be costly to the organization and cancel out any savings that had originally been seen.

Cost of poor quality and rework: if the product or service quality is poor the organization may not satisfy it customers and this can lead to a loss of reputation in the market. For example, a residential building construction company contracting a supplier that supply would require home owners to reinstall a new door within three months. The organization would spend more funds in carrying out rework.

More administrative cost in contract management: an organization will have to manage it suppliers and the contracts to ensure they are delivering what they were contracted to do. A poor contract management is a waste in the process of delivery that can lead to loss of money. Also, to correct this would cost the organizations administrative cost.

*

Refer to the question column for response

Answer:

A

Question 8

Question Type: MultipleChoice

Think of a supply chain with which you are familiar and distinguish between the primary, second-ary and tertiary sector organization within it.

Options:

A- Explanation:

Supply chain involves a network of individuals, organizations, technology activities and resources to make sure goods or services flow along the chain. If one point fails, every part further along the chain fails.

Fullpower projects (a flour manufacturer) supply chain begins with producers (raw materials, wheat farmers), suppliers, manufactures, distributors, retailers and end users (customer).

Fullpower projects supply chain falls within the primary sector (producers of wheat), the secondary sector include the manufacturing (those that converts the wheat the suppliers brings into flour) and tertiary sector (the distributor those that takes the wheat to the end users).

Answer:

A

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