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Question 1

Question Type: MultipleChoice

Which of the following incoterms relate specifically to transporting items over water?

Options:

- A- ex works
- B- delivered duty paid
- C- cost and freight
- D- delivered at place

Answer:

C

Explanation:

cost and freight is specific to transport over water. The others relate to all types of transportation. [Incoterms_2020_chart](#) | Intersped

Some students report a lot of questions on Incoterms in the exam, some say they only had 1. It real-ly is luck of the draw.

Question 2

Question Type: MultipleChoice

Which of the following incoterms has the lowest risk to the buyer?

Options:

- A- exworks
- B- delivered duty paid
- C- carriage and insurance paid to
- D- free on board

Answer:

B

Explanation:

The lowest risk to the buyer is 'delivered duty paid'. This is because the supplier does all the work transporting the items to the buyer's premises. Incoterms_2020_chart | Intersped

Question 3

Question Type: MultipleChoice

A Bill of Exchange is an important document used when importing goods into a country from abroad. What is the purpose of this document?

Options:

- A- details who is responsible for the insurance of the goods during transit
- B- specifies the country of origin of the goods
- C- explains which tariffs apply to the goods
- D- details payment instructions

Answer:

D

Explanation:

A Bill of Exchange is a payment instruction - it says who will pay whom and when.

Bill of Exchange Definition: Examples and How It Works (investopedia.com)

Question 4

Question Type: MultipleChoice

Steff is a procurement manager at Giant Buttons Ltd who are considering offshoring a small section of their manufacturing operations. Which of the following is a risk of offshoring that Steff should consider.

Options:

A- importation rules and tariffs

B- exportation rules and tariffs

C- payments by electronic bank transfer

D- lower operating costs

Answer:

A

Explanation:

The correct answer is importation rules and tariffs. This is because in offshoring some of the manufacturing will be done in another country then shipped back to the UK. The products will have to go through customs so may be subject to tariffs and duties.

Steff's not exporting anything in the scenario and paying electronically and getting lower costs are not RISKS.

Question 5

Question Type: MultipleChoice

Rules regulating the type of goods and the volume that can be imported into a country or trade block are commonly known as what?

Options:

A- duties

B- profits

C- tariffs

D- laws

Answer:

D

Explanation:

This is tariffs. Be careful not to confuse tariffs and duties;

tariffs = rules and duties = payments.

Question 6

Question Type: MultipleChoice

Amnesty International, Oxfam and CIPS are examples of what type of organisation?

Options:

- A- partnerships
- B- limited liability
- C- not-for-profit
- D- public limited companies

Answer:

C

Explanation:

These are 'not-for-profit' organisations. You don't need to know much on not-for-profit procurement for this exam. Just that procurement can be regulated in this sector by bodies such as Charities Commission.

Question 7

Question Type: MultipleChoice

Which of the following is not a Human Rights as protected by the UN Declaration on Human Rights?

Options:

- A- freedom of Belief and to change beliefs
- B- the right to be treated equally
- C- the right to free speech
- D- the right to change nationality

Answer:

D

Explanation:

the right to change nationality is not included in the UN Declaration of Human Rights. There are 30 in total but you're not expected to know them all. You should know the big ones though which are; life, security, belief, equal treatment, free speech and expression. A summary can be found here: [Universal Declaration of Human Rights | United Nations](#)

Question 8

Question Type: MultipleChoice

Under what circumstances can a buyer reduce timescales for a tender in the Public Sector?

Options:

- A- if tenders are received by electronic submission exclusively
- B- if the competition is restricted
- C- if there are fewer than 5 bidders
- D- when the tender is of low value

Answer:

A

Explanation:

If tenders are received by electronic submission exclusively, the buyer can reduce the timescale. On average the time for a standard tender submission can be reduced by 5 days if bids are submitted electronically.

Note this is based off current PCR Regs 2015 which are being superseded in October 2024 by new legislation. We currently don't know what the new regs will say on this. If it's different, my best guess is CIPS will remove any question about it from their exam- because the study guide would be wrong and that would lead to complaints.

Question 9

Question Type: MultipleChoice

Which of the following is a UK legislation concerning product safety?

Options:

- A- Enterprise Act 2002
- B- Consumer Rights Act 2015
- C- GDPR 2018
- D- Competition Act 1998

Answer:

B

Explanation:

The Consumer Rights Act 2015 is about product safety and making sure products sold on the market are fit for purpose. It gives buyers rights and protections. The Consumer Rights Act 2015 - Citizens Advice

There's a long list of legislation on p.105. I wouldn't worry about memorizing them all but just have an idea of what legislation relates to what area. E.g. GDPR is about Data Protection and the Com-petitions Act is about Marketplace competition. Most of them are quite obvious from the name.

Question 10

Question Type: MultipleChoice

Which of the following can be interpreted as a normal business practice by some cultures but a form of bribery by others?

Options:

A- phishing

B- verbal contracts

C- golden handshake

D- facilitation payment

Answer:

D

Explanation:

This is a facilitation payment. It's when a sum of money is given for 'helping to facilitate' a contract. E.g. a procurement manager may accept a facilitation payment from a supplier for selecting him to be a new supplier for a big contract.

In the UK this is definitely considered a bribe. It's also against the CIPS Code of Conflict

Question 11

Question Type: MultipleChoice

When sourcing an item of strategic importance and high value in the public sector, is it important to advertise this publicly?

Options:

- A-** no- buyers can approach known contractors
- B-** no- buyers in the public sector do not source strategic items
- C-** yes- the public sector should advertise the opportunity as a call for competition

D- yes- the public sector should advertise through the Freedom of Information Act

Answer:

C

Explanation:

The correct answer is 'yes- the public sector should advertise as a call for competition'. They do this in the Official Journal of the European Union (OJEU). Public Sector has to be transparent about everything and treat all suppliers equally. So they can't just approach the ones they like.

In the study guide it says OIEU and this is a typo. It's OJEU.

What is The OJEU in 2 minutes or less (trackerintelligence.com)

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