



CIPS L3M2 Practice Questions

Shared by Holland on 18-08-2026

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Question 1

Question Type: MultipleChoice

Which two of the following would be unlikely to increase value for money for an organisation?

Options:

- A- Attending social events at supplier's expense
- B- Use of value analysis or value engineering
- C- Standardisation of components
- D- Accepting a late bid in a tender process

Answer:

A, C

Explanation:

Suppliers entertain to retain or generate business - there is a cost to this, which is recovered from customers - the antithesis of value for money. Late bids are sometimes related to inflated prices and instances of malpractice. A late bid is extremely unlikely to increase value for money in the long term and is a serious breach of organisational procedure.

Question 2

Question Type: MultipleChoice

Accurate specification of requirements along with suitable-chosen quality standards is most likely to influence which of the five Rights?

Options:

- A- Quality
- B- Time
- C- Quantity
- D- Price
- E- Place

Answer:

A

Explanation:

Quality.

Specification is fundamental to receiving the right quality.

Standards can be seen as a form of specification intended for recurrent use (Lysons)

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Question 3

Question Type: MultipleChoice

Regarding quality management, how many Sigma?

Options:

A- Five

B- Seven

C- Four

D- Six

Answer:

D

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Explanation:

The answer is 'six'.

Six Sigma is a statistical approach to quality management.

Question 4

Question Type: MultipleChoice

Finding new potential suppliers using the internet might be known as:

Options:

- A- e-sourcing
- B- e-scouring
- C- e-sourcing
- D- e-auction

Answer:

A

Explanation:

E-sourcing.

Try to be clear on the difference between e-sourcing and e-auctions.

Other related e-terms include e-contracting, e-procurement, and possibly more.

Question 5

Question Type: MultipleChoice

An effective specification is one that is (select all that apply):

Options:

- A- Compliant with all legislation
- B- Concise - succinct
- C- Comprehensive -- leaving nothing to doubt or misinterpretation
- D- Clear and unambiguous
- E- Comprehensible to all
- F- Current -- up to date with the latest technology, standards, etc

Answer:

A, B, C, D, E

Explanation:

A specification should be all of the above.

Question 6

Question Type: MultipleChoice

The formal appraisal of a current supplier, measured in terms of factors such as quality, timeliness of delivery, etc is known as:

Options:

- A- Vendor rating
- B- Overall rating
- C- Quality rating
- D- Ship's rating

Answer:

A

Explanation:

Once a supplier is contracted, monitoring performance is vendor rating.

Prior to a supplier being contracted, attempting to understand what their performance would be like is called 'supplier appraisal'.

Question 7

Question Type: MultipleChoice

'Sometimes descriptions of the need are best created by a cross-XXXX team'. What does XXXX represent here?

Options:

- A- Funicular
- B- Regional
- C- Industrial
- D- Functional

Answer:

D

Explanation:

Cross-functional.

That is, drawn from a number of functions, or departments, within an organisation.

Question 8

Question Type: MultipleChoice

The act of secretly and illegally stealing funds which have been placed in the individual's trust, or money belonging to a person's employer:

Options:

- A- Fraud
- B- Extortion
- C- Bribery
- D- Embezzlement

Answer:

D

Explanation:

This is a definition of embezzlement.

The other terms shown as possible answers are also part of the syllabus for this subject.

Question 9

Question Type: MultipleChoice

'Reputation gained through proficiency, ability or achievement' (as used in the CIPS Code of Conduct)

Options:

- A- Statute
- B- Status
- C- Stature
- D- Statue

Answer:

C

Explanation:

The correct answer is 'stature' which is a word used in a heading within the CIPS Code of Conduct.

If you selected 'status' you cannot be blamed for selecting a response different to the correct one - the two are extremely closely linked. However as 'stature' is used by CIPS, I think I can just about get away with declaring that the correct answer.

Question 10

Question Type: MultipleChoice

A single purchase agreement created to cover multiple repeat orders for supplies from a single source, is called a:

Options:

- A- Call-off contract

- B- Frequency distribution
- C- Single source tender
- D- Automatic replenishment

Answer:

A

Explanation:

Requirements are 'called off' from a single contract.

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Question 11

Question Type: MultipleChoice

'A product will not survive commercially unless it satisfies XXXX needs'. Which one of the following is the most important fit for XXXX?

Options:

- A- Customer
- B- Manufacturer
- C- Sales and marketing
- D- Government agency

Answer:

A

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Explanation:

Business is all about the customer.

Question 12

Question Type: MultipleChoice

In developed economies such as the European Union and North America, there is no forced labour (modern slavery) in supply chains. True or false?

Options:

- A- True -- these sophisticated economies have effective protections against such things
- B- False -- there are unfortunately many thousands of modern slaves in these economies
- C- Don't know

Answer:

B

Explanation:

The statement is false.

CIPS actively campaigns against modern slavery anywhere in the world.

Question 13

Question Type: MultipleChoice

'The usefulness of lifetime costing is for decision-making about whether to acquire an asset with an expected:

Options:

- A- Short life
- B- Long life
- C- After life
- D- Shelf life

Answer:

B

Explanation:

The correct answer is 'long life'.

Lifetime doesn't really make sense in respect of the other answers offered.



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