CIPS L4M3 Mock Exam

Shared by Landry on 17-06-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

Prior to circulating the service specification to a tendering supplier, it is good practice for the purchasing organisation to request completion of a non-disclosure agreement. Is this statement correct?

Options:

A- No, because the non-disclosure agreement has no legal standing
B- Yes, because the non-disclosure agreement protects intellectual property
C- Yes, because the non-disclosure agreement encourages transparent bidding
D- No, because the non-disclosure agreement only applies after contracting

Answer:

B

Explanation:

Non-disclosure agreements (NDAs) are legally binding documents that protect confidential and proprietary information, including intellectual property, during pre-contractual discussions. NDAs ensure that sensitive data shared during early engagement or tender development is not misused.

Question 2

Question Type: MultipleChoice

Under a framework agreement, Which option best are supplier selection mechanisms? Select TWO that apply:

Options:

A- Rescission of contract
B- Mini competition
C- Contract for lease
D- Direct call-off

E- Call off contract

Answer:

B, D

Explanation:

A framework agreement is an agreement with one or more suppliers/providers which sets out terms and conditions under which individual contracts (call-offs) can be made throughout the term of the agreement.

A framework agreement itself is not a contract, but the call-offs made from it are.

Framework arrangements create a streamlined and flexible process for procuring goods, works or services

Where a framework for the same goods, works or services is awarded to several suppliers, there are three possible options for awarding call-off contracts: direct award (or direct call-off), mini-competition or a combination of both.

Option 1 -- Apply the terms of the framework agreement (direct award).

Where your requirements match the terms and/or specification of the framework agreement (in the event of any query, you should clarify the situation with the organisation that established the framework), a particular call-off should be awarded without re-opening competition. The call-off should be awarded to the provider who is identified as the most economically advantageous tender based on the award criteria used at the time that the framework was established (i.e. the supplier ranked no. 1). Randomly selecting a supplier off a framework is not permitted.

Option 2 -- Hold a mini-competition between capable suppliers.

If your requirements do not match the terms and/or the specification of the framework, you should conduct a mini-competition exercise. Whilst it is not permitted to substantially change the basic terms or specification of the framework, in running a mini-competition it is possible to supplement or refine the basic terms of the framework prior to making a call-off. Examples of such terms are:

- The particular goods/services/works required;

- Particular delivery timescales;

- Particular invoicing arrangements and payment profiles;

- Associated services such as installation, maintenance and training;

- Quantity;

- Functional specification.

Under no circumstances should brand names or brand-specific descriptions of goods be used e.g. BIC Biro Pen, Hewlett-Packard Printer, Dell computer. Descriptions should give reference to the characteristics and outputs of the product or service. Where no other description is possible, any reference should be qualified by adding the words 'or equivalent'.

When a mini-competition exercise is held, all suppliers appointed to the framework that are capableof meeting the requirement must be invited to submit a tender. (This might just relate to suppliers within a particular 'lot'). You must not limit the mini-competition exercise to selected providers. A time limit for submitting the tender must be set and advised to competing suppliers. This time limit must be reasonable, taking account of the complexity of the requirement.

The call-off must be awarded on the basis of the framework award criteria and new criteria cannot be added, although, where permitted, the weightings may be varied to take account of a particular requirement. However, in adjusting the weightings, care must be taken to ensure that any such changes do not have an adverse effect on competition.

Option 3 - Combination of direct award and mini-competition

To use a combination approach, the procurement documents must state that this route may be used. The procurement documents will also specify which terms may be subject to the re-opening of competition.

- Guidance on the Use of Framework Agreements

- CIPS study guide page 60-62

LO 1, AC 1.3

Question 3

Question Type: MultipleChoice

Which of the following are examples of express terms in a contract? Select TWO that apply.

Options:

A- A retention of title term

B- Term inserted by the Sale of Goods Act 1979

C- A liquidated damages term

D- Term inserted through business efficacy test

E- Term inserted through the custom of the trade

Answer:

A, C

Explanation:

Express terms are those specifically stated in writing or verbally agreed in the contract:

Retention of title term (A) -- typically clearly written in the contract.

Liquidated damages term (C) -- also explicitly written and agreed.

By contrast:

Terms inserted by the Sale of Goods Act, business efficacy test, or custom of the trade are implied terms, not express.

Question 4

Question Type: MultipleChoice

A buyer is in the process of supporting colleagues internally in the drafting of a specification for a new product. They have limited personal knowledge of the product and of the market. They are at the very early stages of drafting the specification and are seeking to increase their knowledge, whilst at the same time, keeping their likely future needs a commercial secret at this stage. Which option best would be the best method of achieving this?

Options:

A- Issue a formal request for information
B- General networking at relevant trade events
C- Interview staff from finance
D- Advertising on a relevant online forum

Answer:

B

Explanation:

In the early stages of procurement planning, informal methods like networking at trade events are effective for gaining insights without disclosing sensitive procurement intentions. It allows the buyer to explore the market, understand new technologies or suppliers, and develop informed specifications while preserving confidentiality.

CIPS L4M3 Commercial Contracting Study Guide, Chapter 2, Section 2.1.1 -- Benefits and risks of early market engagement.

Question 5

Question Type: MultipleChoice

Maximum Score: 1

An urgent component requirement needs to be purchased to meet the timescales of a project. A supplier proposes using its standard terms and conditions. What risk to the buying organisation could this bring?

Options:

A- A breach of competition laws
B- Contract conditions that are favourable to the buyer
C- A breach of the supplier's internal financial controls
D- Contract conditions that are favourable to the supplier

Answer:

D

Explanation:

Supplier standard terms and conditions are drafted:

To protect the supplier's interests,

To limit the supplier's liability,

To secure favourable payment and performance conditions for the supplier.

If the buying organisation accepts these without negotiation (especially in a rush), it risks ending up with contract conditions that are favourable to the supplier (D) and less favourable protections for itself.

Question 6

Question Type: MultipleChoice

The contracts manager at a newly established private transport agency, Travel Response Services (TRS), has been asked to draft a set of standard terms and conditions that will protect customers' personal information when it is passed to sub-contracted suppliers by TRS. Which standard clause would be best suited for this?

Options:

A- An intellectual property rights clause

B- An invoicing and payment clause

C- A corporate social responsibility clause

D- A confidentiality and use of data clause

Answer:

D

Explanation:

A confidentiality and data use clause is designed to govern how information, especially sensitive or personal data, is handled. It sets boundaries on disclosure, data sharing, and use, which is essential under data protection laws such as GDPR, especially when information is passed to third parties.