



CIPS L4M6 Practice Questions

Shared by Blake on 18-08-2026

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Question 1

Question Type: MultipleChoice

Which of the following are advantages for the buyer in a partnership arrangement?

Price stability

Cost of relationship management

Supplier complacency

Cost savings achieved



Options:

- A- 1 and 4 only
- B- 1 and 2 only
- C- 2 and 3 only
- D- 2 and 4 only

Answer:

A

Explanation:

Comprehensive and Detailed

Partnership arrangements often lead to price stability, as both parties work collaboratively to manage costs and avoid market volatility. Additionally, such relationships can result in cost savings through joint process improvements, shared investments, and economies of scale. While managing a partnership does incur relationship management costs, these are typically offset by the benefits gained. Supplier complacency is a potential risk but not an inherent advantage of partnerships.

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Question 2

Question Type: MultipleChoice

Which of the following are not a valid reasons to terminate a relationship with a supplier? Select TWO.

Options:

- A- The supplier suddenly increases prices
- B- The supplier made one late delivery
- C- Supply base rationalisation
- D- The supplier becomes insolvent
- E- The supplier has a change in senior management

Answer:

B, E

Explanation:

Two invalid reasons are; one late delivery and a change in senior management. Valid reasons to terminate a relationship are listed on p.107 and include the three listed here, as well as a material breach, damage to reputation and the supplier merges or is acquired by another company.

Question 3

Question Type: MultipleChoice

Which of the following are relationship types on the relationship spectrum?

Adversarial, transactional and outsourcing

Single sourced, strategic alliance and co-destiny

Arm's length, strategic alliance and dual sourced

Closer tactical, leverage and joint ventures

Options:

- A- 1 and 2 only
- B- 2 and 3 only

C- 1 and 3 only

D- 2 and 4 only

Answer:

B

Explanation:

The relationship spectrum runs from adversarial/transactional to collaborative partnerships such as strategic alliances and co-destiny. Also included are mid-spectrum arrangements like single sourcing and arm's length. Options 2 and 3 list valid relationship types, making 2 and 3 correct.

Question 4

Question Type: MultipleChoice

Richie has come up with a new idea for sourcing items for the business but feels that it will have mixed reviews within the team. He thinks that some people will be in favour of the idea, and some will be against it. He doesn't think the CEO will have a strong opinion either way. In order to decide whether to put a business case together and present his idea to the CEO- what should Richie do?

Options:

A- Cost Analysis

B- Make vs Buy Analysis

C- Force Field Analysis

D- Value Engineering Analysis

Answer:

C

Explanation:

Richie should do a Force Field Analysis -- this is explained on p.86 and is an idea of Kurt Lewin - it identifies the driving forces for a project and the restraining forces (basically who will be for it and who will be against it). The textbook doesn't go into much detail on this but there are questions on it in the exam- so have a quick google to familiarise yourself with Kurt Lewin's

Force Field Analysis.

Question 5

Question Type: MultipleChoice

Which option best are NOT one of the four key principles of procurement in the EU?

Options:

- A- Transparency
- B- Value for Money
- C- Non-Discrimination
- D- Proportionality

Answer:

B

Explanation:

Value for money is not a principle of EU procurement. The four key principles are; transparency, non-discrimination, proportionality and equality of treatment. The principles are basically about ensuring the procurement process is fair. See p.75

Question 6

Question Type: MultipleChoice

A company supplies IT equipment and buys most of its components from first-tier suppliers in the UK. It wants to analyze its supply market to develop the supply chain and is going to review the main factors that have an influence. The company wants to use the STEEPLED external environmental analysis framework to achieve the best result. Which of the following STEEPLED factors is most likely to have the greatest effect?

Options:

- A- Sociocultural
- B- Technological
- C- Economic
- D- Ethical

Answer:

B

Explanation:

Technological factors play a pivotal role in IT equipment supply chains. Advancements, obsolescence, and innovation significantly affect production, cost, and competitiveness, making it a primary focus in supply chain development.

Question 7

Question Type: MultipleChoice

What is the correct order for the 5 stages of team development?

Options:

- A- Forming, storming, performing, adjourning, norming
- B- Storming, norming, adjourning, performing, forming
- C- Norming, adjourning, storming, performing, forming
- D- Forming, storming, norming, performing, adjourning

Answer:

D

Explanation:

Comprehensive and Detailed

Bruce Tuckman's model of team development outlines five stages:

Forming-- Team members get acquainted and establish ground rules.

Storming-- Members begin to communicate their feelings but still view themselves as individuals rather than part of the team.

Norming-- People feel part of the team and realize that they can achieve work if they accept other viewpoints.

Performing-- The team works in an open and trusting atmosphere where flexibility is the key and hierarchy is of little importance.

Adjourning-- The team conducts an assessment of the year and implements a plan for transitioning roles and recognizing members' contributions.

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Question 8

Question Type: MultipleChoice

A buyer is procuring a high-value specialist piece of medical equipment to use in the healthcare sector from a market that consists of minimal competition. The buyer has decided to use an open tender procedure to purchase the equipment. Is this an appropriate method to use?

Options:

- A- Yes, a shortlisting process is not required as there are few suppliers
- B- No, a tendering process is not required as there are few suppliers
- C- Yes, as complex procurement must always use this type of tender process
- D- No, an emergency tender process is required due to the critical nature of the equipment

Answer:

B

Explanation:

If the market has few suppliers, an open tender is not appropriate, as it adds unnecessary time and cost. Instead, a restricted or negotiated procedure is more effective. Open tendering is best used in highly competitive markets.

Question 9

Question Type: MultipleChoice

Sugar Doughnut Ltd has a jam supplier that they have used successfully for over ten years. They have made investments in the supplier's factory to support them with capital equipment upgrades in return for cost reduction on jam. The two companies also collaborate on bids for large supermarkets when looking to supply doughnuts and work together on quality improvements. No contracts exist between the two companies. Could this relationship be said to be a partnership relationship?

Options:

- A- No, because contracts do not exist between the two companies
- B- No, because they have only worked together for ten years
- C- Yes, because they have demonstrated close collaboration on various projects
- D- Yes, because they both operate in the food sector

Answer:

C

Explanation:

The relationship qualifies as a partnership due to their collaboration, shared investments, and mutual efforts toward improvement, regardless of the absence of formal contracts. Partnerships focus on shared goals, trust, and strategic alignment rather than mere documentation.

Question 10

Question Type: MultipleChoice

Which option best are advantages of partnering?

Options:

- A- Supply chain consolidation
- B- Continual improvement
- C- Hard to displace
- D- Prioritization of transactions

Answer:

A, B

Explanation:

Partnering supports supply chain consolidation and continual improvement by fostering collaboration and shared objectives. These benefits align with the strategic goals of building resilient and efficient supply chains.

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Question 11

Question Type: MultipleChoice

A buyer is seeking to set up an agreement for one year for the purchase of paper. They complete a tender exercise and supplier X wins the contract, and all other suppliers are told that they will not be needed for the next 12 months. Where would the buyer place supplier X on the relationship spectrum?

Options:

- A- Arms length
- B- Single sourced
- C- Partnership
- D- Transactional

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Answer:

B

Explanation:

Comprehensive and Detailed

When a buyer selects a single supplier for a specific period, such as a one-year contract, and excludes other suppliers during this time, this is referred to as a single sourced relationship. This approach is often used to consolidate purchases, achieve economies of scale, and build a more streamlined procurement process for specific goods or services.

'Single sourcing involves selecting one supplier for a particular item or service, often for a defined period, to streamline procurement and potentially achieve better terms.'--- CIPS L4M6 Study Guide



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