



Free Questions for L4M7 by dumpshq

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Question 1

Question Type: MultipleChoice

U-shape flow layout can utilise handling equipment if the high demands items locate adjacent to shipping docks. Is this statement true?

Options:

- A- No, because aisles between racks in U-shape flow are too small for any handling equipment
- B- Yes, because U-shape layout allows S-line routing more efficient
- C- No, because cross-docking is impossible in U-shape flow warehouse
- D- Yes, because this layout places receiving docks and despatch docks close to one another

Answer:

D

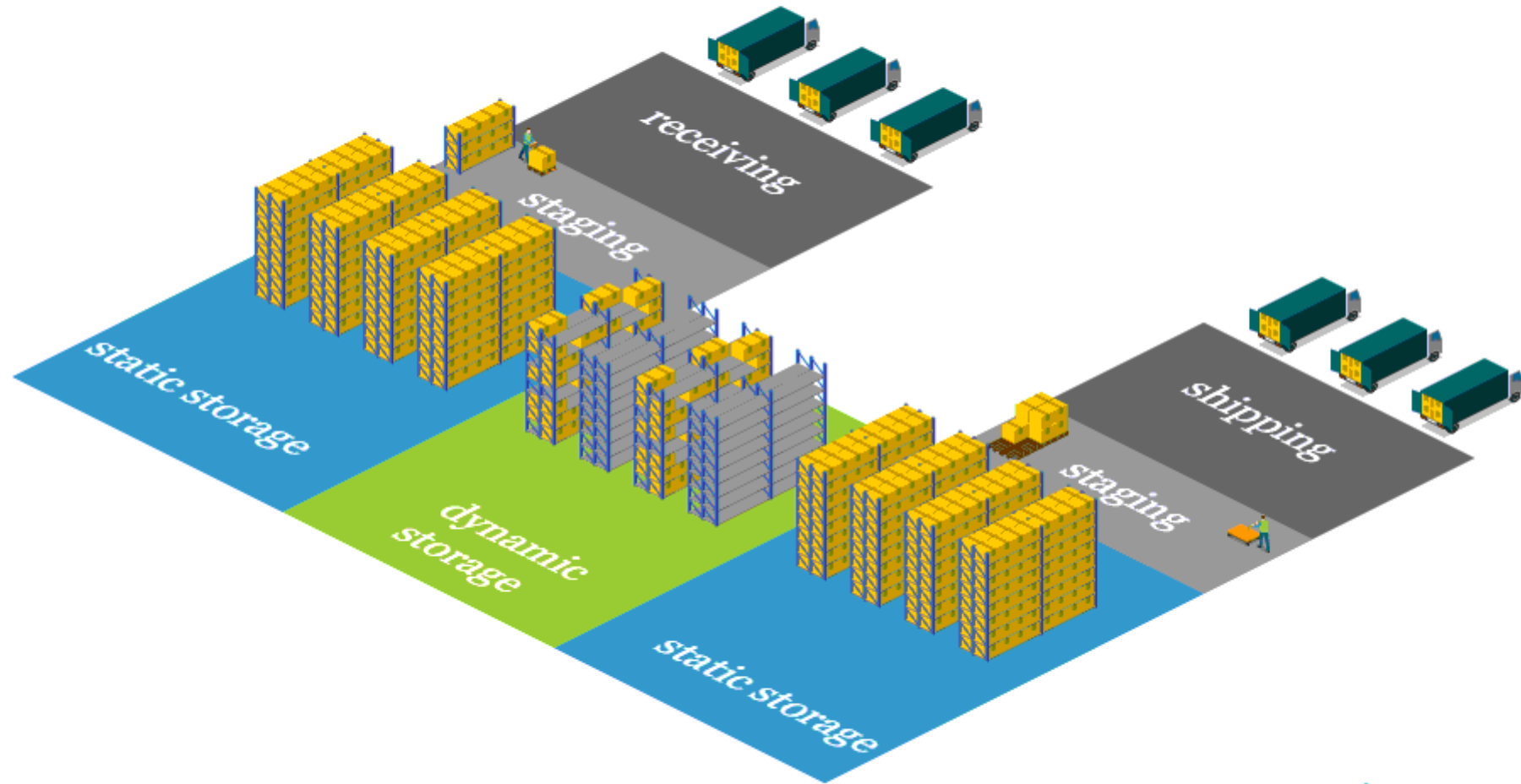
Explanation:

A 'U' flow occurs when the goods receipt and dispatch functions are located at the same end of a warehouse building.

Products flow in at receiving, move in to storage in the back of the warehouse, and then to shipping, which is located at the adjacent to receiving on the same side of the building.

Items with higher throughput level are located closer to the loading bays. An example of a 'U' flow design can be seen in the diagram below.

U-Shaped Warehouse Product Flow



Advantages of 'U' Flow

- Excellent utilization of dock resources because the receiving and shipping processes can share dock doors
- Facilitating cross-docking because the receiving and shipping docks are adjacent to one another and may be co-mingled
- Excellent lift truck utilization because put away and retrieval trips are easily combined and because the storage locations closest to the receiving and shipping docks are natural locations to house fast moving items
- Yields excellent security because there is a single side of the building used for entry and exit

LO 1, AC 1.1

Question 2

Question Type: MultipleChoice

Which of the following are most likely to be direct benefits of applying RFID technology? Select TWO that apply

Options:

- A- Multiple items tracking
- B- Being able to work in harsh conditions without any supports
- C- Identifying product defects
- D- Being able to work in 1km range or above
- E- Large information capacity

Answer:

A, E

Explanation:

RFID tags are the small devices that can be embedded in labels or attached to tags which work with radio transmitters and/or receivers to identify themselves.

RFID tags can be used to do the following:

- Track individual items
- Track boxes of products, cages of products and pallets
- Track containers with multiple loads
- Locate equipment within a building

- Trigger alarms should equipment or stock be removed without authorisation.

RFID devices have a very small integrated circuit incorporating a small memory capability - many are smaller than 2mm square and 2mm thick. Despite its size, many can hold 2000 characters of data.

RFID operating range depends on the radio frequency used, receiver capability and the environment. Some tags are only readable from under 1m, others can have a 100m range.

RFID tags and labels are very specific to the type of material and size of your assets. For example, metal will deactivate the RFID antenna and the tag will not transmit at all. Using RFID on metal requires a special type of tag with an RFID block to prevent interference with the antenna. Liquid products can also affect the reliability of the RFID signal. To use RFID tags in specific environments, some technologies are needed to support them.

LO 1, AC 1.2

Question 3

Question Type: MultipleChoice

XYZ Inc opens a tender to purchase new forklift trucks for their new established warehouse. In the final round, there are two suppliers remain who offer two different bids. Supplier A's bid has high initial investment. After calculating the net present value, the NPV in year five is positive. On the other hand, supplier B's bid has low purchase price, with the NPV in year five is negative. If the NPV is the sole selection criterion, XYZ Inc should select the bid which has...?

Options:

- A- Positive NPV
- B- The lowest NPV
- C- Zero NPV
- D- Negative NPV

Answer:

A

Explanation:

Net present value (NPV) is the 'today' net value that deprives from 'future' cash flow of an investment or a capital purchase. Net Present Value is a helpful tool for assessing the total lifetime value of an investment. Procurement professionals or investors can base on this value to make decision to achieve value for money. Generally, an organisation should select the offer which has the highest NPV among their options. Preferably, the NPV of an capital investment should be positive, which means the investment eventually adds value to the business.

LO 3, AC 3.2

Question 4

Question Type: MultipleChoice

Which of the following purchases are most likely to have low acquisition costs? Select TWO that apply.

Options:

- A- Purchase of ERP system
- B- Purchase of standard catalogued products
- C- Straight re-buy from a current supplier
- D- Spot purchase of a technically complexed machinery
- E- Procurement of construction projects

Answer:

B, C

Explanation:

According to L4M7 study guide, acquisition costs in procurement are the costs associated with the activities involved in a purchase. A buying organisation incurs acquisition costs in low-value purchases as well as high-value purchases. The following purchases tend to have lower acquisition costs:

- Straight re-buy from a current supplier
- Purchase of standard catalogued products

Otherwise, any purchases of high value, high-risk items generally require greater attention of buying organisation and thus, they are likely to have higher acquisition costs. Spot purchase of a technically complex machinery, Purchase of ERP system and Procurement of construction projects are examples of high-value, high-risk purchases.

LO 3, AC 3.1

Question 5

Question Type: MultipleChoice

The width of aisles within a warehouse is determined by...?

Options:

- A- Turning cycle of forklift and the size of pallets
- B- The length of storage racking
- C- The location of goods-in and goods-out doors
- D- The height of the building

Answer:

A

Explanation:

Below is a formula from Toyota you can use to make an informed decision.

1. Start with the basic right-angle stacking width
2. Add the load length
3. Add 12 inches for clearance

The basic right-angle stacking width is the smallest amount of space a forklift needs turn in order to insert its forks into a pallet. You can find basic right-angle stack measurements in the equipment manual or by contacting TMHNC if your business is located in Northern California. This measurement does not include the length of the load or room need for clearance.

Load lengths vary depending on your application, products, etc. As a starting point, a standard pallet has a 48-inch load length. Always check your forklift's data plate for the rated capacity (which is affected by attachments and other factors).

Adding 12 inches for clearance ensures you have enough room for your forklift's turn radius and helps protect against damage from operator error and/or product that may hang over the edge of the pallet.

- CIPS study guide page 29-30

- How to Calculate Forklift Aisle Width Minimums

LO 1, AC 1.1

Question 6

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Answer:

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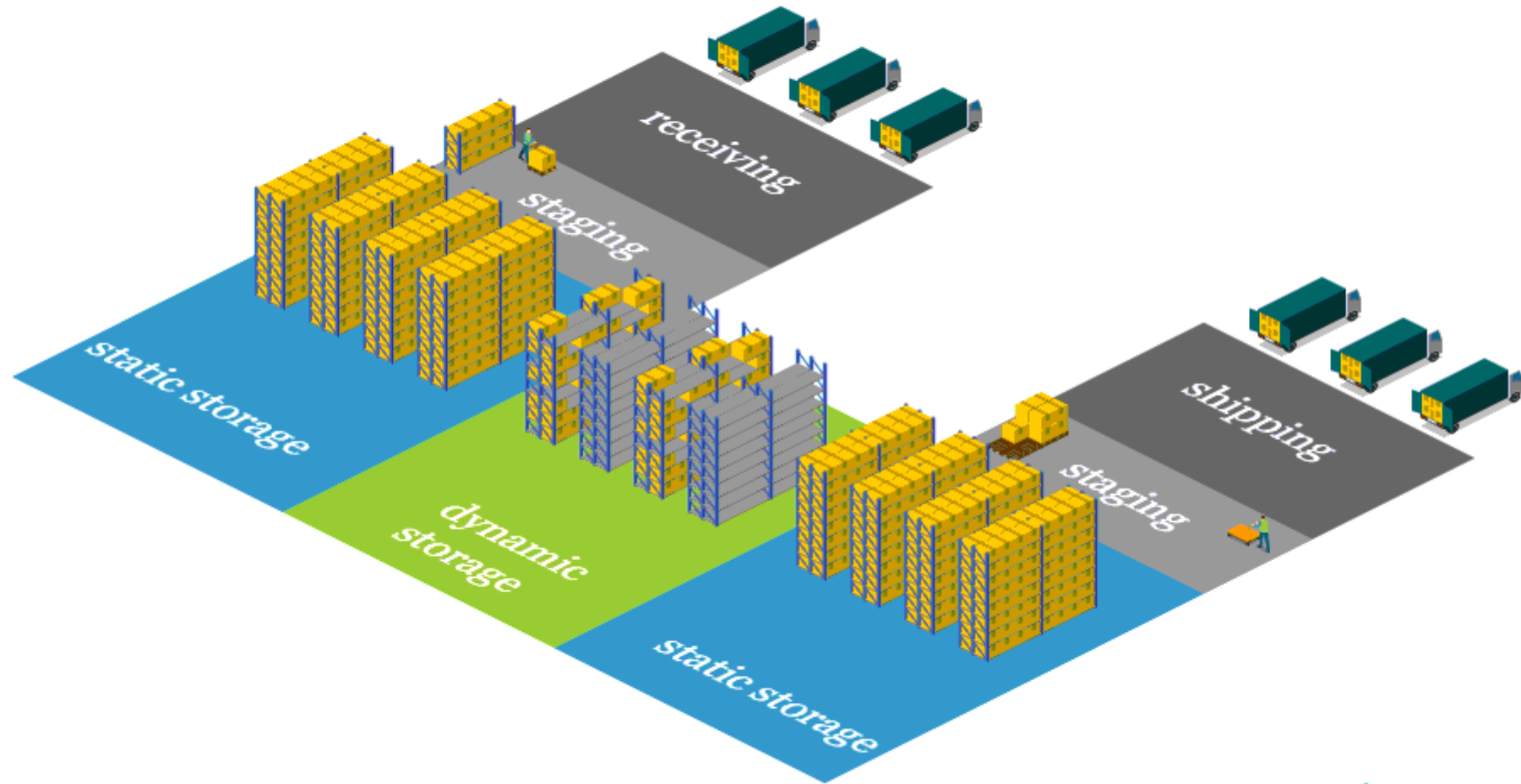
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LO 3, AC 3.2

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