



Free Questions for L5M2 by actualtestdumps

Shared by Vargas on 15-04-2024

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

Juan is a Spanish business owner who imports several parts from Japan. Juan's business operates in Euros and the parts that he buys from Japan can often take a long time to arrive, this means that the price of the items sometimes fluctuates due to the exchange rate. Which of the following would be the best option for Juan?

Options:

- A- have the supplier quote in their own currency
- B- have the supplier quote in Juan's currency
- C- have the supplier match geographical profiles of customer sales with supplier purchases
- D- terminate the contract with the foreign supplier

Answer:

B

Explanation:

quoting in Juan's currency would reduce the risk to Juan - the risk of currency exchange rate fluctuations would then sit with the supplier.
See p.23 for more information on currency risks.

Question 2

Question Type: MultipleChoice

What is the final stage of Deming's Plan - Do - Check cycle which is encouraged by ISO9001?

Options:

- A- Improve
- B- Review
- C- Act
- D- Assess

Answer:

C

Explanation:

Act is the final stage. See p.25 for a diagram of the cycle.

Question 3

Question Type: MultipleChoice

Rabbit Manufacturing operates several factories which create stuffed animals. As these stuffed animals are mainly bought for children, it is extremely important that the quality of the product is assured, and there are no dangerous or small parts which could become choking hazards. Which of the following are appraisal costs that the company should undertake in order to mitigate the risk of poor quality products entering the market?

Options:

- A-** quality control inspections
- B-** using a pro-active quality management system
- C-** introduce a 0 defect approach
- D-** staff training to ensure higher quality products are made

Answer:

A

Explanation:

Of these four answers only one is an appraisal cost and that is answer 1. The other three options are prevention costs. There is a table of appraisal costs and prevention costs on p. 26 Appraisal costs are reactive- they're done after the product is manufactured. Preventative costs are actions taken in quality assurance.

Question 4

Question Type: MultipleChoice

Logistics Risks are caused by...

Options:

A- heightened ethical standards

- B- customer expectations
- C- extended supply chains
- D- economic instability

Answer:

C

Explanation:

Extended supply chains create logistic risks. This is from p. 29. Types of risks is a popular exam topic but the questions are usually quite straightforward like this.

Question 5

Question Type: MultipleChoice

Portobello is an Italian manufacturing company that produces canned tomato sauces. It imports a lot of its tomatoes from Latin America as there isn't the capacity to grow that many tomatoes in Italy. One of the major risks posing Portobello is that the tomatoes must be transported via cargo ship, and there is a risk that the ship may sink, or be delayed by bad weather. Portobello has taken out insurance to cover the cost of the tomatoes should this happen. What technique has Portobello used?

Options:

A- tolerate

B- treat

C- transfer

D- terminate

Answer:

C

Explanation:

The risk has been transferred to the insurance company. This question is based on the 4Ts from p.32- this is a popular exam topic, for both the multiple choice questions and the drag and drop

Question 6

Question Type: MultipleChoice

The USA Foreign Corrupt Practices Act (FCPA) is further reaching than the UK's Bribery Act 2010. Is this statement true?

Options:

- A- yes- the FCPA covers 'private bribes' and the Bribery Act does not
- B- yes- the FCPA exempts facilitation payments
- C- No- the Bribery Act extends to third parties and the FCPA does not
- D- No- the Bribery Act doesn't account for facilitation payments

Answer:

C

Explanation:

The correct answer is 3. Firstly you can half the number of responses by looking at the yes / no. The UK Bribery Act is further reaching than the FCPA. Therefore the statement is False. You can therefore discount the options that start with yes. Of the two remaining statements only one of them is true and that is number 3- the Bribery Act extends to third parties and the FCPA does not. Option 4 is incorrect as the Bribery Act DOES account for facilitation payments. Its to FCPA that doesn't. This is explained on p. 36 of the study guide

Question 7

Question Type: MultipleChoice

Which of the following is a component of the Sarbanes-Oxley Regulations?

Options:

- A- separation of duties
- B- ethical business practices
- C- elimination of bribery
- D- environmental protection

Answer:

A

Explanation:

Separation of duties is a key component of the Sarbanes-Oxley Regulations. It ensures businesses are accounting responsibly, and one way to do this is through separation of duties (no one person has complete control of the accounts of a company). See <https://www.investopedia.com/terms/s/sarbanesoxleyact.asp> and p.42 in the study guide. This piece of legislation does tend to come up

in the exam so do revise this topic.

Question 8

Question Type: MultipleChoice

The triple bottom line is a way to refer to sustainability practices. Which of the following is included within the Triple Bottom Line? 1. People, 2. Profit, 3. Price, 4. Planet 5. Power.

Options:

A- 1,2 and 3

B- 1,3 and 5

C- 2, 4 and 5

D- 1,2 and 4

Answer:

D

Explanation:

Triple Bottom Line - people, profit and planet - options 1, 2 and 4. See p.45 for more details on sustainability

Question 9

Question Type: MultipleChoice

Which organisation created the Decent Work Agenda?

Options:

A- UN

B- ISO

C- ILO

D- ETI

Answer:

C

Explanation:

This is from ILO- the International Labour Organisation - see p.49 of the textbook. You should recognise all four of these acronyms as they come up in this module UN= United Nations - they have the Guiding Principles, ISO = produce standards for business practices and ETI = Ethical Trading Initiative - they have a base code for labour practices.

To Get Premium Files for L5M2 Visit

<https://www.p2pexams.com/products/l5m2>

For More Free Questions Visit

<https://www.p2pexams.com/cips/pdf/l5m2>

