



CIPS L6M10 Practice Questions

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Question 1

Question Type: MultipleChoice

What is the main focus of "green supply chain management"?

Options:

- A- Monitoring and improving environmental performance.
- B- Increasing profits through efficiency.
- C- Minimizing waste disposal costs.
- D- Maximizing product life cycles through remanufacturing.

Answer:

A

Explanation:

Green SCM prioritizes environmental performance across the supply chain. [P-145]

Question 2

Question Type: MultipleChoice

In the context of a global supply chain network strategy, what are some sources of disruption?
(Select ALL that apply)

Options:

- A- Weather events and natural disasters
- B- Exchange rate volatility
- C- Industrial disputes and strikes
- D- Rapid product obsolescence
- E- Economic and political instability

Answer:

A, B, C, E

Explanation:

Common sources of disruption in global supply chains include natural disasters, exchange rate fluctuations, industrial strikes, and political instability. Rapid product obsolescence is not a direct supply chain disruption factor. [P-95]

Question 3

Question Type: MultipleChoice

What challenge does EcoElectronics face in product recovery?

Options:

- A- Maximizing transportation efficiency
- B- Ensuring brand reputation
- C- Predicting demand
- D- Determining product quality

Answer:

D

Explanation:

Uncertain quality of returned products complicates recovery decisions. [P-178]

Question 4

Question Type: MultipleChoice

Which is an external factor influencing reverse logistics?

Options:

- A- Employee satisfaction

- B- Technological advancements
- C- Government regulations
- D- Internal audit procedures

Answer:

C

Explanation:

External factors include government regulations mandating environmental compliance. [P-173]

Question 5

Question Type: MultipleChoice

A procurement professional is tasked with optimizing logistics processes for an organization where extended transportation pipelines are causing concerns about product obsolescence and increased inventory holding costs. What strategy might the procurement professional consider?

Options:

- A- Increasing transportation costs to expedite product delivery
- B- Purchasing inventory from high-wage economies
- C- Reducing the transportation pipeline length by sourcing products locally
- D- Expanding the organization's capital equipment capacity

Answer:

C

Explanation:

Sourcing locally shortens the transportation pipeline, reduces inventory holding costs, and minimizes the risk of product obsolescence. [P-11]

Question 6

Question Type: MultipleChoice

Sarah is the logistics manager of a retail company that sells electronic gadgets. She is considering implementing a reverse logistics program to handle product returns. However, she's concerned about the challenges associated with reverse logistics. What is the main challenge associated with the common perception of reverse logistics among managers?

Options:

- A- Managers often lack the knowledge to implement reverse logistics effectively.
- B- Reverse logistics is considered a significant source of value in the supply chain.
- C- Managers tend to overlook the strategic value of reverse logistics.
- D- Reverse logistics is viewed as a low-cost solution to supply chain challenges.

Answer:

C

Explanation:

Managers often overlook the strategic value of reverse logistics, viewing it as adding no value to the supply chain and considering it an unnecessary cost. [P-146]

Question 7

Question Type: MultipleChoice

Which option best is NOT one of the three flows mentioned in the CSCMP definition of logistics?

Options:

- A- Materials
- B- Financials
- C- Information
- D- Human resources

Answer:

D

Explanation:

The CSCMP definition of logistics includes materials, financials, and information flows. Human resources are not explicitly listed as part of these flows. [P-139]

Question 8

Question Type: MultipleChoice

What are common methods of payment used in international trade? (Select ALL that apply)

Options:

- A- Telegraphic transfer
- B- Mail transfer
- C- Banker's draft
- D- Debit card payment
- E- Documentary letter of credit (LC/LOC)

Answer:

A, B, C, E

Explanation:

Common payment methods in international trade include telegraphic transfer, mail transfer, banker's draft, and documentary letter of credit (LC/LOC). These methods facilitate secure and efficient cross-border transactions. Debit card payments are more commonly used for domestic transactions. [P-135]

Question 9

Question Type: MultipleChoice

Which of the following technologies are transforming the role of distribution centers within the supply chain network? (Select all that apply)

Options:

- A- Facility management
- B- Blockchain technology
- C- Voice picking
- D- Detection systems
- E- Semi-autonomous machines

Answer:

A, C, D, E

Explanation:

Voice picking: Uses speech recognition for efficient order picking.

Semi-autonomous machines: Enhance automation and predictive maintenance.

Facility management: Manages distribution center systems for efficiency.

Detection systems: Improve safety and machine monitoring.

Blockchain technology is not listed as a transformative technology for distribution centers.
[P-48]

Topic 2, Global governance of the supply chain

Question 10

Question Type: MultipleChoice

Why must organizations consider pressure groups' influence?

Options:

- A- Pressure groups have political power.
- B- They provide financial support.

- C- They focus on internal policies.
- D- They influence government and businesses.

Answer:

D

Explanation:

Pressure groups shape public opinion and policy, affecting brand reputation. [P-175]

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Question 11

Question Type: MultipleChoice

James is a supply chain manager for ABC furniture manufacturing company. He is considering implementing reverse logistics practices to reduce waste and costs. Based on the scenario, which statement is most accurate?

Options:

- A- Reverse logistics programs are unnecessary for furniture manufacturers.
- B- Reverse logistics is mainly focused on increasing waste and costs.
- C- Reverse logistics is viewed as a cost center requiring cost control and waste reduction.
- D- Furniture manufacturers do not consider environmental impacts.

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Answer:

C

Explanation:

Reverse logistics is often treated as a cost center, necessitating cost management and efficiency. [P-142]

Question 12

Question Type: MultipleChoice

A multinational company is expanding its operations globally and considering the benefits and challenges of sourcing, outsourcing, and offshoring. Which challenge is likely to be hard to overcome due to trade across borders and geographic, time, and language differences?

Options:

- A- Compliance issues
- B- Logistics and production scheduling
- C- Quality expectations
- D- Lead time factors

Answer:

D

Explanation:

Global expansion introduces challenges such as geographic, time, and language differences that significantly impact lead times. Managing long distances and coordinating activities across different time zones and languages make lead time factors one of the most difficult challenges to overcome. [P-63]

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