



CIPS L6M5 Practice Questions

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Question 1

Question Type: MultipleChoice

Spaceman Ltd's R&D team has a strong relationship with its supplier of spaceship parts.

The space exploration industry is becoming highly competitive.

The team is looking for ways to enhance profits and market share.

Q: What strategy should Spaceman Ltd use?

Answer Options:



Options:

- A- Variance Analysis
- B- Value Engineering
- C- Consortium-Based Procurement
- D- Open-Book Costing

Answer:

B

Explanation:

Value Engineering (p.100) is used to optimize costs and improve profitability in competitive industries. It leverages supplier relationships to cut costs and increase value. Variance Analysis (A) is for budgeting, and Consortium Procurement (C) relates to bulk purchasing, which is not the issue here. [P.100]



Question 2

Question Type: MultipleChoice

Which of the following is NOT a benefit or function of a professional body?

Professional bodies are established organizations that promote industry standards, ethical conduct, and professional development.

Answer Options:

Options:

- A- Governance and ethical standards
- B- Ensuring prices remain low
- C- Raising productivity
- D- Creating international networks

Answer:

B

Explanation:

Professional bodies do NOT control pricing in the industry, as this would be market interference. Governance, productivity improvements, and networking are valid functions. [P.31]

Question 3

Question Type: MultipleChoice

Josh is the son of the CEO of a law firm and has recently been hired as a trainee attorney, following his graduation from University. He has been with the company for three months and middle management often invite him to meetings that other trainee attorneys are not invited to. What type of power does he have that would explain this?

Options:

- A- positional power
- B- expert power
- C- personal power
- D- negative power

Answer:

A

Explanation:

Josh's access is due to his family connection, which is an example of positional power.

Question 4

Question Type: MultipleChoice

In which scenario would a Cost Reimbursable contract be most suitable?

Answer Options:

Options:

- A- A research project where the exact scope of work is unknown at the onset
- B- A construction project where raw material prices may fluctuate
- C- The creation of a new product, where time is critical, and the client wishes to reward the contractor for speedy delivery
- D- The manufacturing of food items, where the client may return raw materials that do not meet specifications

Answer:

A

Explanation:

Cost Reimbursable contracts are widely used in research projects where the exact scope is uncertain (p.69). These contracts allow for flexibility in cost adjustments based on project progress. Option B describes a contract using cost-plus pricing, and Options C and D do not fit this contract model. [P.69]

Question 5

Question Type: MultipleChoice

Why might a Public Sector Organisation use a PPP style of contract to build a new police station? Select ALL that apply.

Options:

- A- to monetise under-performing assets
- B- due to not having the budget to complete the construction themselves
- C- it is a legal requirement as it shows value for money
- D- to ensure the highest quality of work
- E- there is less administration involved

Answer:

A, B

Explanation:

PPP contracts are used when budgets are tight and to monetise under-performing assets. They are not mandated by law nor do they inherently ensure high quality or less administration.

Question 6

Question Type: MultipleChoice

"Persuasion should be a last resort in cultural change." Is this statement true?

Answer Options:

Options:

- A- Yes -- persuasion should be linked to an implicit or perceived threat
- B- Yes -- persuasion should only be used after coercion has failed
- C- No -- persuasion should be planned before implementing change
- D- No -- persuasion is not useful in large cultural shifts

Answer:

C

Explanation:

Persuasion is one of the best tools for cultural change (p.204).

Option A is incorrect---persuasion should not involve threats.

**Option B is incorrect---persuasion should be the first approach, not the last.

Option D is incorrect---persuasion is highly effective in large-scale change. [P.204]

Question 7

Question Type: MultipleChoice

Liability limitation often focuses on Which option best types of loss, which is said to be the most unpredictable and most significant in the case of a default on a contract?

Options:

- A- repudiatory
- B- anticipatory
- C- direct
- D- consequential

Answer:

D

Explanation:

Consequential loss is considered the most unpredictable and significant, hence it is often the focus of liability limitations.

Topic 2, Drag Drop Questions

Question 8

Question Type: MultipleChoice

When is the best time to define acceptance criteria for a project?

Answer Options:

Options:

- A- Upon completion
- B- During each milestone
- C- When writing the Project Initiation Document
- D- As part of the Project Audit

Answer:

C

Explanation:

Acceptance Criteria should be set before the project starts in the Project Initiation Document (PID) (p.137).

Option A is too late, as the project is already completed.

Option B is iterative, but criteria should be predefined.

Option D is for evaluation, not definition. [P.137]

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