# CIPS L6M9 Practice Questions

## Shared by Hess on 18-08-2026

**For More Free Questions and Preparation Resources**

Check the Links on Last Page

## Question 1

Question Type: MultipleChoice

Maxi Ltd is a medium-sized manufacturing organisation in the automotive industry that creates engines for cars. It has traditionally worked well with its suppliers, with strong relationships and regular meetings. There are currently around 15 suppliers who provide parts to Maxi Ltd.

Due to changing customer demands, Maxi Ltd will, from next month, modify the manufacturing of some of its products. Product X is being made more environmentally friendly, with output of $CO_2$ being reduced by 32%. The product will take longer to produce, but there will be no additional cost to customers for this.

Maxi ltd are considering outsourcing the manufacturing of Product Y as it is not a product which is routinely ordered by customers. This will allow Maxi Ltd to focus on other products which generate higher revenues for the company. The concern within the Board of Directors is that if demand increases for this product, an outsourced company may not be able to cope with higher numbers of orders.

Product Z is an extremely popular item and oftentimes Maxi Ltd does not have the capacity to fulfil all orders. Consideration has been given to increasing the size of the factory, but this has been discarded as risky as demand is not guaranteed. The product has been available on the marketplace for a short amount of time and sales are continuing to increase, but the company believes this will soon plateau. To deal with current demand, the marketing team is working on campaigns to invite customers to make orders for this product at certain times of the year when product X is not being created in the factory. This means resources can be reallocated to the creation of product Z.

Which of the following is the trade-off in the modification of product X?

### Options:

A- Environment
B- Quality
C- Flexibility
D- Speed

### Answer:

D

### Explanation:

The modification of product X is aimed at making it more environmentally friendly but results in a longer production time. This means that the trade-off is speed---production takes longer. (LO 1.2)

## Question 2

Question Type: MultipleChoice

Which option best are typical objectives of Linear Programming (LP)? Choose ALL that apply.

### Options:

A- Minimising inventory levels
B- Maximising machine working hours
C- Maximising transportation costs
D- Minimising production costs
E- Maximising labour working hours

### Answer:

A, B, D, E

### Explanation:

Linear Programming (LP) aims to optimise resource allocation by:

Minimising inventory levels (reduce storage costs).

Maximising machine working hours (increase efficiency).

Minimising production costs (reduce expenses).

Maximising labour working hours (increase productivity).

Option C is incorrect---LP aims to minimise, not maximise, transportation costs.

(LO 1.3, See p.47)

## Question 3

Question Type: MultipleChoice

Which of the following are Porter's strategies that can help an organisation create competitive advantage in the marketplace? Select ALL that apply

## Options:

A- Be a low-cost provider
B- Provide exceptional customer service
C- Ensure a large product range
D- Become an organisation that is meaningfully different from competitors
E- Become a specialised provider

## Answer:

A, D, E

## Explanation:

Porter's three strategies are low-cost, differentiation, and niche. These options are just worded slightly differently but align with Porter's competitive strategies. (See p.151)

# Question 4

Question Type: MultipleChoice

Which of the following are disadvantages of the small-capacity strategy in capacity planning? Select ALL that apply.

## Options:

A- Higher production costs
B- Weaker ability to compete on price
C- Unable to personalise requirements from customers
D- Less responsive to changes in market demands

## Answer:

A, B

## Explanation:

The small-capacity strategy means a company deliberately produces below optimal capacity. This provides agility and flexibility to respond to market changes and allows for customer personalisation. However, the disadvantages include:

Higher production costs (lack of economies of scale)

Weaker ability to compete on price (since larger-capacity businesses have lower production costs)

Options C and D are disadvantages of large-capacity strategy, not small-capacity. (See LO 1.3)

## Question 5

Question Type: MultipleChoice

Which of the following appear in the concept of Theory of Constraints? Select ALL that apply.

### Options:

A- Boat
B- Rope
C- Buffer
D- Drum
E- Safe harbour

### Answer:

B, C, D

### Explanation:

The Theory of Constraints (TOC) includes the Drum, Buffer, and Rope approach. This method helps manage constraints in production by synchronising workflow. The Drum sets the pace, the Buffer protects against variability, and the Rope ensures efficient scheduling. Boat and safe harbour are not part of TOC. (See p.204)

For further reading on Drum-Buffer-Rope, refer to this resource: Theory of Constraints - Fortelabs

For further reading on Drum-Buffer-Rope, refer to this resource: Theory of Constraints - Fortelabs

## Question 6

Question Type: MultipleChoice

Giant Gyms is a fitness chain where clients pay a monthly subscription for full access to gym facilities. The company typically experiences a huge spike in new memberships in January due to New Year's fitness resolutions. However, to reduce this seasonal surge, Giant Gyms introduces a pricing structure that makes it cheaper to sign up in November, which is typically its slowest month.

What is this strategy called?

### Options:

A- Lead Strategy
B- Demand Smoothing
C- Capacity Expansion
D- Optimal Capacity

### Answer:

B

### Explanation:

Demand smoothing attempts to influence customer behavior to balance demand fluctuations. Giant Gyms wants more customers in November rather than in January, preventing seasonal peaks and troughs.

Note:

Lead Strategy = expanding capacity before demand increases

Capacity Expansion = increasing production ability

Optimal Capacity = achieving the best cost-to-production ratio

(See LO 1.3, p.55)

## Question 7

Question Type: MultipleChoice

Which of the following statements about Demand Chain Management (DCM) are TRUE? Select ALL that apply.

## Options:

A- An organisation can be effective or efficient, but not both
B- Demand chain management focuses on cost minimisation
C- Key drivers of demand chain management are cash flow and profitability
D- Demand chain management is a strengths-based approach
E- There is a long-term focus
F- The supply chain uses forecasts and plans to understand customer demand

## Answer:

C, D, E, F

## Explanation:

Correct statements about DCM:

(C) Cash flow and profitability are key drivers.

(D) It is a strengths-based approach, focusing on leveraging competitive advantages.

(E) There is a long-term focus rather than just short-term efficiency.

(F) Uses forecasts and planning to understand customer demand.

Incorrect statements:

(A) False -- A company CAN be both efficient and effective.

(B) False -- Supply Chain Management (SCM) focuses on cost minimisation, while Demand Chain Management (DCM) focuses on customer value.

(See LO 2.3, p.125)