



Free Questions for INTE by dumpssheet

Shared by Lambert on 04-07-2024

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

A company produces and distributes its products in the continental United States, mostly to customers located in metropolitan areas. The company conducts an ABC analysis to classify items, and determines that A and B items have variable demand, while C items have relatively stable demand. The logistics group wants to use this information to minimize transportation costs. Which of the following is the BEST combination of modes for the firm to use in order to minimize costs?

Options:

- A- Use water service for A and B items, motor carriage for C items, and air freight only as needed
- B- Use intermodal rail for A and B items, air freight for C items, and motor carriage only as needed
- C- Use air freight for A and B items, motor carriage for C items, and intermodal rail only as needed
- D- Use motor carriage for A and B items, intermodal rail for C items, and air freight only as needed

Answer:

D

Explanation:

To minimize transportation costs, the logistics group should use motor carriage for A and B items, intermodal rail for C items, and air freight only as needed. Motor carriage provides flexibility and is cost-effective for variable demand items (A and B items), especially when these items need timely deliveries in metropolitan areas. Intermodal rail is ideal for C items with stable demand as it is more cost-effective for transporting large volumes over long distances. Air freight, being the most expensive, should be reserved for urgent needs only. This combination leverages the strengths of each transportation mode to optimize cost and efficiency. Reference:

* Coyle, J. J., Langley, C. J., Novack, R. A., & Gibson, B. J. (2016). Supply Chain Management: A Logistics Perspective. Cengage Learning.

* Murphy, P. R., & Knemeyer, A. M. (2018). Contemporary Logistics. Pearson.

Question 2

Question Type: MultipleChoice

XYZ, Inc. has experienced a significant increase in the number of expedited orders with a key supplier over the last few months. In this situation, XYZ should

Options:

- A-** raise the reorder point level of the products purchased from the supplier, so that XYZ will not be affected by any stock shortages
- B-** request that the supplier offer a discount on its products, as the expedited requests are a financial burden
- C-** contact a freight forwarder and sign a priority shipping agreement, so that XYZ can secure the expedited services
- D-** determine the reasons for the ongoing expedited orders, identify the root cause, and take corrective action

Answer:

D

Explanation:

When experiencing a significant increase in expedited orders, the best course of action for XYZ, Inc. is to determine the reasons for these orders, identify the root cause, and take corrective action. This approach helps in addressing the underlying issues, whether they are related to demand forecasting inaccuracies, production delays, or supply chain inefficiencies. By understanding and correcting the root cause, XYZ can prevent future expedited orders, reduce costs, and improve overall supply chain performance. Reference:

* Chopra, S., & Meindl, P. (2015). Supply Chain Management: Strategy, Planning, and Operation. Pearson.

* Monczka, R. M., Handfield, R. B., Giunipero, L. C., & Patterson, J. L. (2015). Purchasing and Supply Chain Management. Cengage Learning.

Question 3

Question Type: MultipleChoice

A company is expanding its production capability. A project manager is assigned to bring a team of stakeholders together to conduct an analysis of the situation and develop a plan. During the analysis, the project manager gains an understanding of what resources stakeholders are willing to commit, the stakeholders' expectations, and what the stakeholders have to gain from the project. This analysis is MOST likely to identify which of the following?

Options:

- A- Potential conflicts that could impede the project's success
- B- Additional resources that will be needed to finalize the project
- C- How much time there is to complete the project
- D- The roles and responsibilities of each stakeholder in the project

Answer:

A

Explanation:

When a project manager brings stakeholders together to conduct an analysis, understanding the resources, expectations, and gains from the project is likely to identify potential conflicts that could impede the project's success. Identifying these conflicts early allows the

project manager to address and mitigate them, ensuring smoother project execution. This is crucial for aligning stakeholder interests and maintaining focus on project goals. Other aspects like additional re-sources, time frames, and roles and responsibilities are important but typically come after understanding and resolving any potential conflicts. Reference:

* Project Management Institute. (2017). A Guide to the Project Management Body of Knowledge (PMBOK Guide). PMI.

* Kerzner, H. (2017). Project Management: A Systems Approach to Planning, Scheduling, and Controlling. Wiley.

Question 4

Question Type: MultipleChoice

XYZ, Inc. is implementing a new automated system in its distribution center. The supply manager is developing measures to evaluate the success of the automated system pilot. Which of the following is the BEST metric to measure overall success of the pilot?

Options:

- A- Impact on labor hours
- B- Average cost of orders
- C- Competitiveness of pricing

D- Adherence to forecasts

Answer:

A

Explanation:

When evaluating the success of a new automated system pilot in a distribution center, it is essential to choose metrics that directly measure the efficiency and effectiveness of the system.

Impact on labor hours is the best metric to measure the overall success of the pilot. Automation aims to streamline operations, reduce manual labor, and increase productivity. By tracking the impact on labor hours, the supply manager can quantify the reduction in manual work, which directly correlates with the efficiency gains from the automated system.

Other metrics mentioned, such as:

Average cost of orders: While important, this metric may be influenced by several factors beyond the automation system.

Competitiveness of pricing: This is more relevant to market strategy and less to internal operational changes.

Adherence to forecasts: Useful but does not directly reflect the operational improvements from the automation.

Measuring labor hours provides a clear, tangible indication of the automation system's impact on operational efficiency, making it the most relevant and direct measure of the pilot's success.

'Warehouse & Distribution Science' by John Bartholdi and Steven Hackman

'Automation in Warehouse Development: Impact on Workforce and Productivity' by the International Journal of Production Research

Question 5

Question Type: MultipleChoice

A firm engaging in low-cost country sourcing wants to assume the least amount of risk when importing goods into its own country. Which of the following Incoterms 2020 rules would be MOST useful in achieving this goal?

Options:

A- CFR

B- CPT

C- EXW

D- DAP

Answer:

D

Explanation:

In the context of low-cost country sourcing and minimizing risk when importing goods, the selection of appropriate Incoterms 2020 rules is crucial.

DAP (Delivered at Place) is the most suitable Incoterm for a firm wanting to assume the least amount of risk. Under DAP, the seller is responsible for all costs and risks associated with delivering the goods to a specified destination, which includes transportation, export customs clearance, and any other logistical arrangements until the goods are made available for unloading at the buyer's location. This significantly reduces the buyer's risk as the seller handles most of the transportation and logistics.

Other Incoterms, such as:

CFR (Cost and Freight): The seller pays for the cost and freight to bring the goods to the port of destination. However, the risk is transferred to the buyer once the goods are loaded on the vessel.

CPT (Carriage Paid To): Similar to CFR, but can be used for any mode of transport. The seller covers transport costs to a specified destination, but the risk transfers to the buyer upon handing over the goods to the first carrier.

EXW (Ex Works): The buyer assumes all risks and costs from the seller's premises onward, making it the highest risk for the buyer.

Incoterms 2020 by the International Chamber of Commerce (ICC)

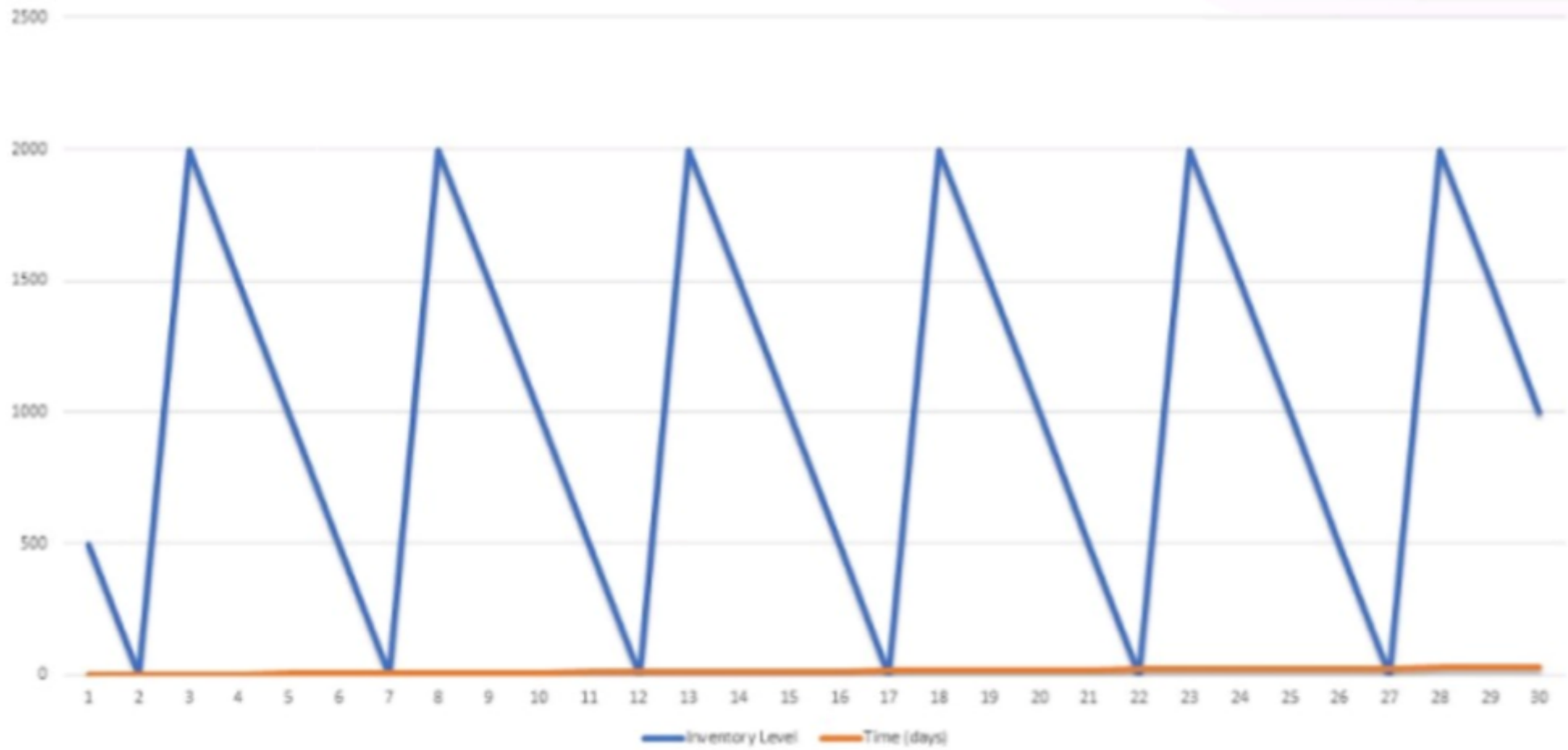
'A Guide to Incoterms 2020' by the International Trade Centre (ITC)

Question 6

Question Type: MultipleChoice

A graph of a firm's inventory replenishment system reveals the following:

Inventory Levels (in units)



Which of the following is TRUE?

Options:

- A- The order cycle is two and a half days.
- B- The average inventory is 1,850 units.
- C- There is a fixed order quantity of 500 units.
- D- There is near instantaneous replenishment.

Answer:

D

Explanation:

The graph shows inventory levels being replenished back to the maximum level immediately after reaching zero, indicating near-instantaneous replenishment. This is characteristic of a system where the lead time for orders is very short or negligible, allowing the firm to maintain optimal inventory levels without significant delay. This approach minimizes stockouts and ensures a continuous supply of inventory. Reference:

* Stevenson, W. J. (2018). Operations Management. McGraw-Hill Education.

* Silver, E. A., Pyke, D. F., & Thomas, D. J. (2016). Inventory and Production Management in Supply Chains. CRC Press.

Question 7

Question Type: MultipleChoice

During an inventory review, a supply manager confirms that parts used for the maintenance of equipment sold during the previous year are still being stored in the warehouse. These parts cannot be used on current equipment. Which of the following BEST describes these parts'

Options:

- A- Surplus
- B- Excess
- C- Obsolete
- D- Expired

Answer:

C

Explanation:

Parts that were used for maintenance of equipment sold in the previous year but cannot be used on current equipment are best described as obsolete. Obsolete inventory refers to items that are no longer usable or saleable due to advancements in technology or changes in market demand. These parts should be identified and removed from active inventory to free up space and reduce carrying costs. Reference:

* Heizer, J., Render, B., & Munson, C. (2017). Operations Management: Sustainability and Supply Chain Management. Pearson.

* Chopra, S., & Meindl, P. (2015). Supply Chain Management: Strategy, Planning, and Operation. Pearson.

Question 8

Question Type: MultipleChoice

Which of the following describes a market structure where there are few sellers and many buyers and where price is controlled by either an industry leader or a cartel?

Options:

A- Monopsony

B- Perfect competition

C- Monopoly

D- Oligopoly

Answer:

D

Explanation:

An oligopoly is a market structure where a few sellers dominate the market and many buyers exist. In such a market, prices and output levels are often controlled by the leading firms or through collusion, such as forming a cartel. These firms hold significant market power, which allows them to influence prices and other market factors. Oligopolies are common in industries where high entry barriers exist, such as telecommunications, airlines, and oil and gas. Reference:

* Perloff, J. M. (2016). Microeconomics: Theory and Applications with Calculus. Pearson.

* Mankiw, N. G. (2014). Principles of Microeconomics. Cengage Learning.

Question 9

Question Type: MultipleChoice

A supplier with a previously good performance record has recently been shipping parts with a number of flaws, making them unusable for production. The firm's supply manager would like to resolve these problems before taking more drastic measures. Which of the following actions should the supply manager take FIRST?

Options:

- A- Explore possible root causes, including changes in the supplier's production processes
- B- Ask engineering to review tolerances on non-critical specifications and relax them if possible
- C- Test the parts at an independent laboratory and notify the supplier of the results
- D- Re-work the parts in-house and bill the supplier for any costs incurred

Answer:

A

Explanation:

When a previously reliable supplier starts delivering flawed parts, the first step should be to explore possible root causes. This approach helps in identifying any recent changes in the supplier's production processes, materials, or workforce that might be contributing to the quality issues. By understanding the root cause, the supply manager can work with the supplier to implement corrective actions, ensuring long-term solutions rather than temporary fixes. This collaborative approach also maintains a good relationship with the supplier and encourages continuous improvement. Reference:

* Monczka, R. M., Handfield, R. B., Giunipero, L. C., & Patterson, J. L. (2015). Purchasing and Supply Chain Management. Cengage Learning.

* Burt, D. N., Petcavag

Question 10

Question Type: MultipleChoice

MNO, Inc. is a national retail home goods chain formed of local franchisees. Each franchisee uses its own returns processing systems. A key advertising point for MNO is its liberal return policy, which is part of its overall focus on excellent customer service. While feedback from customers is positive regarding MNO's return policy, there have been inquiries as to why stores handle returns via different processes. MNO's supply manager suggests the implementation of a reverse supply chain to deal with this issue and possibly yield cost enhancement opportunities. In order to implement this, which of the following is the FIRST course of action the supply manager should take"

Options:

A- Define a consistent return process and integrate it into the forward supply chain

B- Hire an external returns specialist to monitor the situation

Answer:

A

Explanation:

Implementing a reverse supply chain requires first defining a consistent return process that can be integrated into the existing forward supply chain. This ensures that all franchisees follow the same procedures for handling returns, which enhances efficiency, customer satisfaction, and potentially reduces costs. Standardizing the return process also allows for better tracking and management of returned goods, improving overall supply chain performance. By addressing this foundational step first, MNO, Inc. can ensure a smoother implementation of the reverse supply chain. Reference:

* Rogers, D. S., & Tibben-Lembke, R. (2001). An Examination of Reverse Logistics Practices. *Journal of Business Logistics*, 22(2), 129-148.

* Blanchard, D. (2010). *Supply Chain Management Best Practices*. John Wiley & Sons.

Question 11

Question Type: MultipleChoice

A supply manager oversees three distribution centers. Which of the following will be MOST useful for understanding the capacity of these centers?

Options:

- A- Warehouse Management System (WMS)
- B- Capacity Requirements Planning (CRP)
- C- An Enterprise Resource Planning (ERP) system's forecasting tool
- D- An external consultant's analysis of the distribution centers

Answer:

A

Explanation:

A Warehouse Management System (WMS) is designed specifically to manage and optimize warehouse operations. It provides real-time data on inventory levels, storage locations, and warehouse capacity, enabling supply managers to understand and maximize the utilization of distribution centers. A WMS can track and improve the efficiency of receiving, putaway, picking, and shipping processes, providing a comprehensive view of the warehouse's capacity and performance. Reference:

* Frazelle, E. (2002). World-Class Warehousing and Material Handling. McGraw-Hill.

* Richards, G. (2017). Warehouse Management: A Complete Guide to Improving Efficiency and Minimizing Costs in the Modern Warehouse. Kogan Page Publishers.

Question 12

Question Type: MultipleChoice

A supply manager is analyzing potential costs associated with the raw materials needed for a new product launch. Tooling costs are known, but the range of forecasts for future sales---and therefore demand for materials-varies widely. Given these circumstances, the supply manager should consider using which of the following?

Options:

- A- Data mining
- B- Decision tree
- C- Analysis of variance
- D- Critical path

Answer:

B

Explanation:

A decision tree is an effective tool for evaluating potential costs and benefits under conditions of uncertainty, such as varying forecasts for future sales. It allows the supply manager to visually map out different decision paths and their associated costs, probabilities, and outcomes. This helps in comparing different scenarios and making informed decisions about the raw materials needed for a new product launch. Decision trees are particularly useful in situations with multiple possible outcomes and complex decisions. Reference:

* Clemen, R. T., & Reilly, T. (2013). *Making Hard Decisions with DecisionTools*. Cengage Learning.

* Heizer, J., Render, B., & Munson, C. (2017). *Operations Management: Sustainability and Supply Chain Management*. Pearson.

To Get Premium Files for INTE Visit

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

For More Free Questions Visit

<https://www.p2pexams.com/ism/pdf/inte>

