



Constructed Response

Exams guidance



Level 4 Diploma in Procurement and Supply

Level 5 Advanced Diploma in Procurement and Supply

Level 6 Professional Diploma in Procurement and Supply

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Constructed Response (CR) exam questions

Across all of our diploma level qualifications there are several different types of CR question format. The following guide will help CIPS students to understand how to approach CR essay style questions which you will be asked in the Level 4, 5 and 6 exams.

You will be required to:

- A Demonstrate your knowledge and understanding about the subject area.
And
- B Show that you can adhere to instructions when answering questions.

In a CR exam you are required to 'construct' a response to the questions presented to you. The following modules will be examined by Constructed Response exams.

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Level 4 Diploma in Procurement and Supply

CORE Scope and Influence of Procurement and Supply (L4M1)	12 CREDITS	3 HOURS
CORE Procurement and Supply in Practice (L4M8)	12 CREDITS	3 HOURS

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Level 5 Advanced Diploma in Procurement and Supply

CORE Managing Teams and Individuals (L5M1)	12 CREDITS	3 HOURS
CORE Advanced Contract and Financial Management (L5M4)	12 CREDITS	3 HOURS

6

Level 6 Professional Diploma in Procurement and Supply

CORE Strategic Ethical Leadership (L6M1)	12 CREDITS	3 HOURS
CORE Global Commercial Strategy (L6M2)	12 CREDITS	3 HOURS
CORE Global Strategic Supply Chain Management (L6M3)	12 CREDITS	3 HOURS
CORE Future Strategic Challenges for the Profession (L6M4)	6 CREDITS	2 HOURS

Structure of Constructed Response (CR) exams

You will find that some questions will use a scenario or data sources to introduce you to a situation, or give you context, this should be used when answering the question. Always remember to demonstrate what you know throughout your answers. The person marking your exam does not know you, so you need to show your knowledge in a similar way to approaching a job interview - you have to help them to recognise that you know your material, and if you don't the examiner will not make any allowance for what you missed out.

A CR exam allows you to show your extensive knowledge.

These are standard CR questions where you will be expected to construct your answer.

Clipboard Notebook Calculator

Question 1

Using the Five Forces Framework, evaluate the competitive environment of an organisation with which you are familiar.

B / / U ≡ 0 Words

Command Word

4 5 6

At Level 4 the standard question maybe split into two parts for you.

Clipboard Notebook Calculator

Question 2

(a) Identify the main stages of a sourcing process (also known as the purchasing or procurement cycle).

B / / U ≡ 0 Words

Command words

(b) Describe FOUR benefits of using electronic systems in the sourcing process.

B / / U ≡ 0 Words

4

Informs you which qualification levels you can expect to find this type of exam question.



Some questions will use a *scenario* or *data source* to introduce you to a situation or give you context. You should try to refer back to this when answering the questions.

Scenario questions:

Question 3

Assess a range of measures that the new Procurement Director could utilise to improve the supply chain.

Command Word

Resources

LSM4 ABC Limited

ABC Limited (ABCL) is a large manufacturer of farming equipment and its range includes (mainly) heavy goods and machinery such as tractors, diggers and farm vehicles. Their turnover is US\$2.5bn with an operating profit of US\$4m.

ABCL currently have an extended supply chain of about 5000 suppliers across the world. They have two key suppliers DEF Limited and GHJ Limited who account for 55% of procurement spend. Within the central procurement team there are 30 staff.

The procurement team and systems at ABCL have recently undergone a purchasing audit which looked at strategic and operating operations of the procurement team, including the use of electronic purchasing. The findings were not good with the auditors pointing out that the supply chain operation of ABCL is outdated, lacks innovation and is not fit for purpose.

In addition, the auditors felt that there was poor communications between ABCL procurement department and key functions such as marketing, finance and design. Evidence was also provided by the auditors of poor market and supplier involvement especially at the early part of the procurement cycle (identification of need and specification development were singled out for being particularly poor).

The report concluded with a review of how the procurement unit in ABCL interacts strategically with the supply base when monitoring areas such as quality, price, delivery and sustainability and there was little evidence of any sort of effective "non-contractual" relationships within the supply chain. Within the report it was highlighted that the assessment of key suppliers was particularly poor with no evidence of modern techniques or financial reporting being utilised. With regard to costs the auditors were unable to find any evidence of clear financial data on suppliers or any evidence of long term demand planning especially between sales and procurement.

4 5 6

Data source questions:

Question 4

Describe FIVE distinctive features of capital procurements, using examples from INFONT scenario.

Command Word

Resources

Sample INFONT

INFONT is a reputable logistics company with headquarters at its multimillion dollar Distribution Centre located just ten miles from the country's main sea port. The port handles all bulk imports and exports of its clients. INFONT also owns two warehouses within the country and has contracted an agent in each of the other five countries in the region. The services INFONT provides to its clients include warehousing, packaging and transportation of their finished products or production materials. It owns and operates transport vehicles, fork lift trucks and other material handling equipment (MHE). INFONT uses 10% of its warehouse space for its maintenance, repair and operational (MRO) requirements such as oils and tyres for the vehicles; pallets and plastic sheets for repacking split deliveries to clients; etc. In order to maintain the high level of service to its clients, a substantial part of the operating expenditure budget is allocated to staff and consultancy expenses. In addition, significant capital expenditure is also spent on a range of storage and handling equipment, vehicles and IT infrastructure. INFONT's agents are contractually required to maintain the same level of space for their MRO requirements.

Some well-known retailers and manufacturers are loyal clients and they rely on INFONT's high quality logistics services for their own successful competition in the market. INFONT's business is therefore stable and growing as exemplified in the data below extracted from its accounts and budgets:

Extracts from the Financial Statements and Budgets: Infont Logistics International Ltd

	Year 1 \$000	Year 2 \$000	Next Year (Plan) \$000
Turnover	33400	32800	30000
Gross Profit	9350	9840	9000
Operating Expenditure	4010	4920	6500
Capital Expenditure	1110	2060	9850

However, due to concerns over deteriorating agency service levels, INFONT has decided that next year it will not renew the contract with its agent in the neighbouring country. Instead it will purchase and directly operate its own warehouse in that country. This is a major decision that will require a complex analysis of INFONT's budget which involves many categories of spend to be considered in acquiring and operating the new warehousing facility.

4 5 6

Preparing for an exam using Constructed Response (CR) questions...

at levels 4, 5 and 6

Timing is everything

- Spend 5 minutes reading the instructions and questions through at least twice – it is worth reading all the questions on the exam so that you have an overall picture of what is being asked, before you focus attention on each of the questions, some of which may have several parts. This is so that you can make sure that you have established the focus of each question, and avoid straying into material that you might need to use in other questions. Some questions may contain a scenario or data source.
- You will need to decide how to allocate your time for each question. Be ready to stop writing your answer when your allocated time runs out! If you do not move on to the next question, you are likely to run out of time and fail to gain marks overall. If you are struggling with completing your first and second answers in the time you have allocated, then you will need to review your plans for the other questions, in order to make sure you complete as many answers to questions as possible.

Reading the questions and planning your answers

As you read through the paper, identify what is being asked of you in each question. Remember, there will be one question for each of the learning outcomes from the syllabus:

- Determine which part of the syllabus the question relates to.
- Consider what key issues the question is asking you to write about, so that you are sure you fully understand the demands of the question. Format, context, task and outputs are very important.
- Check the number of marks allocated to each question or part of a question: this helps you to work out how much information the assessors are expecting you to include in your answer to each part.
- Take careful note if the question asks you to provide a specific number of examples or ideas – make sure you provide the number required.

Simple questions to help you practise

Example

Discuss FOUR advantages and FOUR disadvantages of a win-lose approach to negotiation. (16 marks)

Make sure you give four of each, no less. Two marks are allocated for each one, so you cannot earn marks if you do not provide the required number, no matter how detailed your discussion may be of the advantages/ disadvantages you include.

- **Next, highlight the command words in each question or part of a question.**
 - Make sure you understand exactly what you are being asked to do: 'Explain' means you must not just describe something; 'Compare and contrast' means you should look for points of similarity and difference in the items given – it is all too easy to forget this once you start writing. See guidance on command words in the 'Guide to CIPS Examinations'.

Example

Explain, with examples, the difference between direct and indirect costs. (10 marks)

If you do not give examples to illustrate your explanation, you will fail to gain marks. In the example given here, failure to include any examples would likely cost you 50% of the marks available.

- Make sure that, even if a question sounds familiar to one you may have practised, you have checked the intent of the question on the paper – a difference in the command word may require a completely different type of answer from the one you have practised. Be careful not to simply repeat answers you have already prepared previously and remembered: make sure you answer the specific question asked, using your knowledge and understanding.

Confidently prepare for exam success using all of the study resources available in the Student Zone.

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