

**CIPS Level 5 – Advanced Diploma in  
Procurement and Supply  
Module 10 – Logistics Management**

**SAMPLE EXAM QUESTIONS**

**OBJECTIVE RESPONSE QUESTIONS AND ANSWERS**

The correct answer will be identified as [key]

---

Q1. Capacity planning, within logistics management, will be influenced the most by ...

- a. available resources
- b. competitor activities
- c. customer locations
- d. management knowledge

LO: 2

AC: 2.2

---

Q2. ImpCo Group (ICG) is a large retailer which imports most of the products it sells from overseas. Its operations director is concerned about the increasing costs of logistics and is considering different options, one of which is the use of multimodal transportation. What might be a benefit to ICG of adopting such an approach?

- a. Reduced supply chain risk
- b. Faster total shipment times
- c. Less import formality and documentation
- d. Lower need for working capital finance

LO: 1

AC: 1.2

---

Q3. The new logistics manager at Safe Freight Group (SFG) has been given the task to improve SFG's planning and control. They have already reviewed SFG's capacity and likely future demand and have created a spreadsheet showing all of the required activities. Their next task is to prioritise the order in which activities should be performed. This is known as ...

- a. levelling
- b. scheduling
- c. loading
- d. sequencing

LO: 2

AC: 2.1

---

---

Q4. Forecasting demand is challenging. In business-to-consumer markets, which of the following are most likely to impact demand?

1. Seasonality
2. Disposable income
3. Packaging
4. Delivery efficiency

a. 1 and 2 only

b. 2 and 4 only

c. 1 and 3 only

d. 3 and 4 only

LO: 2

AC: 2.2

---

Q5. High levels of customer returns will directly lead to which of the following?

1. Less capacity
2. Reduced inventories
3. Administrative costs
4. Client dissatisfaction

a. 1 and 2 only

b. 3 and 4 only

c. 1 and 3 only

d. 2 and 4 only

LO: 2

AC: 2.4

---

---

Q6. In manufacturing, a bill of materials will show each individual component part used within the finished product. Is this true?

- a. No, this is effectively an invoice for the total amount spent on a product
- b. Yes, it will be used instead of the specification when going out to tender
- c. Yes, it is a list of component parts required to make up the total product
- d. No, the master production schedule will have this information

LO: 2

AC: 2.3

---

Q7. A manufacturer has both available inventory and excess capacity. Would smoothing be useful for this organisation?

- a. Yes, it would utilise both excess inventory and capacity
- b. Yes, but it would need to buy more inventory to do so
- c. No, because this would increase its fixed costs
- d. No, the excess capacity must be used to fulfil known orders

LO: 2

AC: 2.2

---

Q8. The use of an enterprise resource planning (ERP) system by a large organisation will achieve which **THREE** of the following benefits as a direct consequence?

- a. Streamline processes
- b. New client acquisition
- c. More accurate forecasting
- d. Inter-department collaboration
- e. Low cost of investment
- f. Stakeholder reduction

LO: 2

AC: 2.3

---

---

Q9. Major International Logistics Group (MILG) has invested heavily over the years in state-of-the-art systems and technology and has created a recognised market leading force in logistics. It has won numerous consumer service awards and many accolades from satisfied customers. There has been a recent research study published by a leading university. The study has involved extensive data gathering from a wide range of consumers within MILG's markets. It has also included a benchmarking study which has MILG in first place across all aspects of customer satisfaction. During the year in focus of the study MILG is most likely to have performed well in which of the following?

1. Reduced lead times
2. Lower fixed costs
3. More on time deliveries
4. Increased revenues

a. 1 and 2 only

**b. 1 and 3 only**

c. 3 and 4 only

d. 2 and 4 only

LO: 1

AC: 1.3

---

Q10. A global business operates a number of separate wholly owned subsidiary companies. The parent company places an emphasis on customer service and commissions an annual survey to ensure customer satisfaction remains high. Here are the results together with some additional information about each company's use of technology.

Company 1 – has a consistently high rating for always delivering service to the expected standard. This company uses a technique to aid the identification and location of items by assigning a unique number to each item.

Company 2 – performs the strongest in inspiring confidence in its abilities with its customers. It operates a software application, designed to support and optimise storage facilities and distribution centres.

Company 3 – has the best staff at demonstrating that they really understand customer concerns and issues. It uses specific technology whereby digital data tags or smart labels are used which are in turn used to transmit data to reading devices.

Company 4 – has scored the highest because customers believe its staff always address and resolve queries in good time. One of the reasons its staff can resolve queries so quickly is because the company is fully connected to every single party and intermediary from the raw materials to delivery to the company's factories and distribution centres.

You are required to match each service dimension and use of technology to each company, based on the descriptions provided.

Choose from these options and drag and drop your answers into the table below. [8]

You can only use each option once.

Technology use	Service dimension
Bar coding	Assurance
Integrated supply chain	Empathy
Radio frequency identification	Reliability
Warehouse management system	Responsiveness

Company	Technology use	Service dimension
1		
2		
3		
4		

[KEY]

Company	Technology use	Service dimension
1	Bar coding	Reliability
2	Warehouse management system	Assurance
3	Radio frequency identification	Empathy
4	Integrated supply chain	Responsiveness

LO: 1

AC: 1.4