

**CIPS Level 5 – Advanced Diploma in
Procurement and Supply
Module 15 – Advanced Negotiation**

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]

Q1. Which of the following is likely to be the best course of action when an important negotiation meeting with a strategic supplier reaches a deadlock?

- a. Call a recess
- b. Threaten to walk away
- c. Read the contract
- d. Use forcing techniques

LO: 1

AC: 1.2

Q2. A category manager is negotiating with an important supplier and is concerned that progress is too slow. The supplier has already offered a significant pricing reduction. In response, the buyer agrees to modify the specification to suit the supplier's processes. Both have moved further than they had planned. The buyer's response could be described as ...

- a. an implied threat
- b. a reciprocated concession
- c. a take it or leave it reply
- d. an authoritative position

LO: 1

AC: 1.2

Q3. The CPO of a major organisation has a meeting with a key internal stakeholder who the CPO has not previously met. The CPO is meeting with them to build rapport and to find out the stakeholder's needs, to ensure these will be satisfied by the future procurement strategy. Which type of question will the CPO be likely to use the most in this situation?

- a. Leading
- b. Closed
- c. Direct
- d. Open

LO: 1

AC: 1.2

Q4. According to recognised theory, which of the following are generally regarded as providing sources of motivation for employees?

1. Technology
2. Recognition
3. Policies
4. Empowerment

- a. 1 and 3 only
- b. 2 and 3 only
- c. 2 and 4 only
- d. 1 and 4 only

LO: 3

AC: 3.2

Q5. Mutual trust is most important in which types of relationships?

1. Joint venture
2. Closer tactical
3. Partnership
4. Multi-sourced

- a. 1 and 2 only
- b. 1 and 3 only
- c. 3 and 4 only
- d. 2 and 4 only

LO: 2

AC: 2.1

Q6. A recently appointed category manager has a meeting with an important stakeholder who needs to be influenced. They are of an equivalent seniority level. The category manager is planning to meet them first over a coffee in the staff canteen to get to know them. Is this the right course of action?

- a. No, first meetings should always be more formal
- b. Yes, this will build rapport and make influencing more effective**
- c. Yes, buying someone a coffee is a form of bargaining
- d. No, meeting in the staff canteen is unprofessional

LO: 3

AC: 3.1

Q7. There has been a significant breach of contract by a supplier. Extensive negotiations over many months have not resolved the issue and the procurement organisation has incurred substantial additional costs as a result of the supplier's failure. Must the procurement organisation pursue litigation next?

- a. Yes, for serious breaches once negotiation has failed the matter must be decided by the courts
- b. Yes, because this will ensure the supplier continues to deliver the rest of the contract
- c. No, there are likely to be other remedies that could be explored before using the legal process**
- d. No, the courts will check to see that negotiations have been explored fully first

LO: 3

AC: 3.1

Q8. When entering into negotiation with a supplier as a buying team, which of the following should the team consider before the negotiation. Select **THREE** that apply.

- a) What are the roles
- b) Who will take minutes
- c) When will we rehearse
- d) Who will compromise
- e) Negotiation review outcomes
- f) Contract authority

LO: 1

AC: 1.1

Q9. A negotiation meeting is taking place at the global headquarters of Parr, Loades & Zach (PLZ), a leading marketing agency, and one of its clients, GANV Bank (GANVB). The meeting is between a senior PLZ partner and the marketing director from GANVB. The PLZ partner starts by saying 'Thanks for coming to New York. First things first, I'd like to show you some of things we're doing online for our other clients'. After a short demonstration the PLZ partner says to the GANVB marketing director '.....and I forgot to mention, if you would like us to do the same type of online marketing for GANV you'll need to place a confirmed order with us by the end of the week because our specialist team has very limited capacity'. Which influencing tools is the PLZ partner using?

- 1. Social proof
- 2. Reciprocity
- 3. Authority
- 4. Scarcity

- a. 1 and 3 only
- b. 2 and 3 only
- c. 2 and 4 only

d. 1 and 4 only

LO: 3

AC: 3.1

Q10. Leadership style and supply chain factors can influence employees, their decisions and actions. There are four category heads each with a different style of leadership. They are running team meetings to discuss supply chain issues.

Category 1 – The category head starts the meeting by explaining the challenge and saying ‘so, let’s have a vote on what we should do next’. The issue they are concerned with is how to find out if anyone in the supply chain is giving or taking an inducement to influence another party.

Category 2 – This category manager has already made the decision and starts the meeting saying ‘OK, this is how we’re going to do it’. Their concern focuses on the abuse of power for gain, often for personal gain, within the supply chain.

Category 3 – This category manager is very relaxed. After some general discussion and a coffee they say to team members ‘We all know the issue - you decide how to tackle it’. They have been informed by an independent third party of possible supply chain activities which amount to deliberate deception with the specific intention of gaining an advantage.

Category 4 – This category manager opens the meeting with a question ‘Let me know what you think we should do about this’. He goes on to explain that some supply chain behaviours are not aligned with the procurement organisation’s own moral principles.

You are required to match each leadership style and supply chain factor to each category, 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.

Supply chain factor	Leadership style
Bribery	Autocratic
Corruption	Consultative
Ethics	Democratic
Fraud	Laissez-faire

Category	Supply chain factor	Leadership style
1		
2		
3		
4		

[KEY]

Category	Supply chain factor	Leadership style
1	Bribery	Democratic
2	Corruption	Autocratic
3	Fraud	Laissez-faire
4	Ethics	Consultative

LO: 2 and 3

AC: 2.2 and 3.2