CIPS Level 2 – Certificate in Procurement and Supply Operations
Module 2 – Procurement and Supply Operations

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]
Q1. The humanitarian charity Medicine sans Frontières (also known as Doctors Without Borders) is an example of ...

a. a private organisation
b. a public organisation
c. a third sector organisation [key]
d. a small to medium enterprise

LO: 1
AC: 1.1

Q2. Drag and drop the correct option into the blank space.

[ ] is regarded as a typical organisational function.

Reception, Production [key], Canteen, Car parking

LO: 1
AC: 1.3

Q3. Which of the following is a type of contractual agreement?

a. Dark purchase
b. Light purchase
c. Spot purchase [key]
d. Last minute purchase

LO: 2
AC: 2.1
Q4. Fixed, lump sum and schedule of rates are all examples of ...

a. types of pricing arrangements [key]
   b. types of contract
   c. types of purchases
   d. types of invoice

LO: 2
AC: 2.2

Q5. A procurement professional might use internet based research when ...

a. measuring a supplier’s performance
b. sourcing the supply market [key]
c. agreeing the terms of a contract
d. receiving goods from a supplier

LO: 3
AC: 3.1

Q6. Drag and drop the correct option into the blank space.

A [________] can be used to establish financial information about suppliers.

market research company, credit rating agency [key], chambers of commerce, debt collection agency

LO: 3
AC: 3.2

Q7. Drag and drop the correct option into the blank space.

[________] is defined as “a part of a transaction that takes place between 2 parties and refers to what must be given up by the buyer in order to obtain something offered by the seller”.

price [key], revenue, inventory, stock

LO: 4
AC: 4.1
Q8. What pricing method might parties choose to adopt when inflation is relatively low and the supplier can anticipate what their cost will be without including unnecessarily large contingencies?

  a. Variable
  b. Target
  c. Fixed [key]
  d. Cost plus

LO: 4
AC: 4.1

Q9. Which of the following is an advantage of using a performance specification?

  a) The risk is borne by the supplier [key]
  b) The purchaser is able to give detailed measurements and dimensions
  c) All quotations from suppliers will be the same
  d) Tendering time can be reduced as there are a reduced number of suppliers able to supply

LO: 2
AC: 2.3

Q10. A ‘fixed price contract’ is one where the price ...

  a. has been quoted in writing by the supplier
  b. may vary using an agreed formula
  c. is the same as for previous orders
  d. cannot be varied between the purchaser and seller [key]

LO: 2
AC: 2.2