CIPS Level 2 – Certificate in Procurement and Supply Operations
Module 3 – Stakeholders Relationships

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]
Q1. Which of the following is a correct definition of ‘stakeholders’ in procurement and supply?

a. Short and long term suppliers together with any suppliers that they might have
b. **Individuals, groups or organisations affected by the procurement decisions that are made** [key]
c. Shareholders, and all parts of an organisation that contribute to or benefit from a purchase
d. The whole supply chain for a product or service including suppliers and customers

LO: 1  
AC: 1.3

Q2. Which of the following internal stakeholder groups is involved when high capital equipment is required?

a. Production, marketing and sales
b. Administration, managing director
c. Local community, finance, marketing
d. **Finance, production, senior management, design and production** [key]

LO: 1  
AC: 1.2

Q3. Drag and drop the correct option into the blank space.

___ is a market dominated by a few large competing suppliers.

Oligopoly [key], Monopoly, Duopoly, Oligopsony

LO: 2  
AC: 2.3
Q4. The cross over point on the demand and supply curve where supply equals demand is known as ...
   a. interference price
   b. equilibrium price[key]
   c. fair price
   d. firm price

LO: 2
AC: 2.2

Q5. The primary sector of the economy includes ...
   a. forestry, mining and manufacturing
   b. training, consultancy and operations
   c. extractive industries and mechanics
   d. forestry, mining and agriculture[key]

LO: 2
AC: 2.1

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

   is a negotiation conflict handling style described as “the use of bargaining with each party trading concessions and gains”.

Compromising [key], Determining, Accommodating, Synchronising

LO: 3
AC: 3.1
Q7. Group cohesiveness is a key method to achieve ...

a. effective team working [key]
b. supplier control
c. on time supply
d. quality

LO: 3
AC: 3.4

Q8. Giving a contract to a business which has a family connection to the purchaser would result in ...

a. achieving stakeholder buy-in
b. a conflict of interests [key]
c. a quick negotiation
d. a long term agreement

LO: 4
AC: 4.2

Q9. Drag and drop the correct option into the blank space.

may result in conflict between stakeholders in procurement and supply.

Poor Communication [Key], Timely Communication, Clear Direction, Cross Functional Working

LO: 4
AC: 4.2

Q10. Customers and suppliers represent which of the following in the supply chain ...

a. internal stakeholders
b. external stakeholders [key]
c. shareholders [key]
d. consumers

LO: 1
AC: 1.1