CIPS Level 2 – Certificate in Procurement and Supply Operations

Stakeholders Relationships [L2M3]

Sample Exam Questions (Objective Response)

The correct answer will be listed below each question
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  
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  
Correct answer: B

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

LO: 1  
AC: 1.2  
Correct answer: D

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

[ ] is a market dominated by a few large competing suppliers.

Oligopoly, Monopoly, Duopoly, Oligopsony

LO: 2  
AC: 2.3  
Correct answer: Oligopoly
Q4. The cross over point on the demand and supply curve where supply equals demand is known as ...

a. interference price  
b. equilibrium price  
c. fair price  
d. firm price

LO: 2  
AC: 2.2  
Correct answer: B

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

LO: 2  
AC: 2.1  
Correct answer: D

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

Compromising, Determining, Accommodating, Synchronising

LO: 3  
AC: 3.1  
Correct answer: Compromising

Q7. Group cohesiveness is a key method to achieve ...

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

LO: 3  
AC: 3.4  
Correct answer: A
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  
   c. a quick negotiation  
   d. a long term agreement

LO: 4  
AC: 4.2  
Correct answer: B

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

   ______ may result in conflict between stakeholders in procurement and supply.

   Poor Communication, Timely Communication, Clear Direction, Cross Functional Working

LO: 4  
AC: 4.2  
Correct answer: Poor Communication

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

   a. internal stakeholders  
   b. external stakeholders  
   c. shareholders  
   d. consumers

LO: 1  
AC: 1.1  
Correct answer: B

Q11. Elise visits a shop and buys some sweets for her grandma. Elise’s grandma enjoys eating the sweets. In this situation, which party is the customer and which party is the consumer?

   a. Elise is the customer and the consumer  
   b. Elise’s grandma is the customer and the consumer  
   c. Elise is the customer and grandma is the consumer  
   d. Elise is the consumer and grandma is the customer

LO: 1  
AC: 1.1  
Correct answer: C
Q12. Suppliers that do not have a financial interest and are not employed by an organisation are known as which type of stakeholders?

a. Internal
b. Connected
c. External
d. None of the above

LO: 1
AC: 1.3
Correct answer: C

Q13. An organisation that provides a service to its customers and consumers belongs in which sector?

a. Primary
b. Tertiary
c. Secondary
d. Third

LO: 2
AC: 2.1
Correct answer: B

Q14. A situation where there are lots of suppliers who are offering non differentiated products is an example of which type of market structure?

a. Perfect competition
b. Imperfect competition
c. Oligopolistic competition
d. Duopolistic competition

LO: 2
AC: 2.3
Correct answer: A
Q15. Hans has written a letter to his customers, with supporting evidence stating “due to a shortage in raw materials I am afraid that I have to notify you of a 10% price increase starting on 1st July 2020”. What situation has presented itself to result in the letter written by Hans?

a. Demand has superseded supply
b. Supply has superseded demand
c. Supply and demand are equal
d. The supplier wants more profit

LO: 2
AC: 2.2
Correct answer: A

Q16. Porter’s 5 Forces model is an aid to understand what?

a. Product categorisation
b. Supplier relationships
c. Stakeholder management
d. Competitive forces

LO: 2
AC: 2.3
Correct answer: D

Q17. Complete the team development model:

Forming, Storming, Norming, ‘………..’

a. Persuading
b. Performing
c. Personalising
d. Pre-empting

LO: 3
AC: 3.4
Correct answer: B
Q18. **Select from drop down** is the point at which supply and demand are equal?

- a. Equilibrium
- b. Equality
- c. Evaluation
- d. Eradication

LO: 2  
AC: 2.2  
Correct answer: A

Q19. A negotiation style which has a high concern for the supplier’s needs but a low consideration for the buyer’s needs is.............?

- a. Avoiding
- b. Altercating
- c. Accommodating
- d. Abandoning

LO: 3  
AC: 3.2  
Correct answer: C

Q20. A stakeholder who has high power but low interest should receive what treatment?

- a. Keep informed
- b. Manage closely
- c. Monitor
- d. Keep satisfied

LO: 3  
AC: 3.3  
Correct answer: D