CIPS Level 3 – Advanced Certificate in Procurement and Supply Operations

Ethical Procurement and Supply [L3M2]

Sample Exam Questions (Objective Response)

The correct answer will be listed below each question
Q1. The stage of the procurement cycle when procurement can add most value is at the point when the business is....

a. setting out and defining their needs
b. ready to source the market
c. selecting the right supplier
d. starting final negotiation with a short listed vendor

LO: 2
AC: 2.1
Correct answer: A

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

are used to improve supplier performance.

The 5 rights, Action plans, Holiday allowances, Persuasive tactics

LO: 4
AC: 4.1
Correct answer: Action plans

Q3. A supplier appraisal should take place.......

a. before any orders are placed
b. after the goods have been delivered but prior to paying the invoice
c. when liquidated damages are included in the contract
d. at the end of the financial year

LO: 2
AC: 2.3
Correct answer: A

Q4. A Corporate Code of Ethics is used to ...

a. demonstrate organisational commitment to reinforcing ethical values across all procurement and supply practices
b. enforce ethical behaviours in the organisation
c. hold employees responsible for unethical behaviour
d. comply with international law

LO: 3
AC: 3.2
Correct answer: A
Q5. A buyer has a family member working for a potential supplier. This is an example of a ...

   a. conflict of interests  
   b. valued adding opportunity  
   c. breach of ethics  
   d. way to drive down costs

LO: 3  
AC: 3.3  
Correct answer: A

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

   is an example of a value for money criteria.

   Supplier availability, Delivering quality, Ethical conformance, Use of standard materials

LO: 1  
AC: 1.5  
Correct answer: Delivering quality

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

   A specification seeks to “describe precisely what is needed, perhaps including detailed plans, designs, blueprints and technical drawings.”

   Technical, output, performance, initial

LO: 2  
AC: 2.2  
Correct answer: Technical

Q8. Surveying the market is the initial element of ...

   a. supplier sourcing  
   b. customer sourcing  
   c. price fixing  
   d. value analysis

LO: 2  
AC: 2.3  
Correct answer: A
Q9. Drag and drop the correct option into the blank space.

may be included in a definition of quality.

Fit for purpose, Cheapest production, Quickest production, Simplest production

LO: 1
AC: 1.3
Correct answer: Fit for purpose

Q10. A supplier is deemed to have breached the customer’s ethical code. The buyer should...

a. have a private conversation with his supplier contact
b. make a note on the suppliers file for future reference
c. nothing this is outside of the customer’s authority
d. escalate to a senior manager in their organisation immediately to maintain business integrity

LO: 3
AC: 3.1.2
Correct answer: D

Q11. Drag and drop the correct option into the blank space.

A strong brand, excellent customer service, convenience and a good reputation are non-monetary ways in which a supplier can provide to a buyer.

Added value, Quality improvements, Effective supply, Risk mitigation

LO: 1
AC: 1.1
Correct answer: Added value
Q12. Fred has been asked to order 20 plastic filters every Friday for 6 weeks. Fred does some research and establishes that the shop floor has a demand for 120. Instead of placing 6 orders Fred speaks to his supplier and asks if the price would reduce if he ordered 120 to be delivered at one time. What theory is Fred exploring?

a. Value analysis  
b. Value engineering  
c. Economies of scale  
d. Whole life costing

LO: 1  
AC: 1.2  
Correct answer: C

Q13. A series of planned activities and checks to ensure that a product or service fulfils the quality requirements is known as what?

a. Quality control  
b. Quality assurance  
c. Quality management  
d. Quality checking

LO: 3  
AC: 1.3  
Correct answer: B

Q14. Define, select from drop down, analyse, improve and control form the Six Sigma Process

a. Monitor  
b. Manage  
c. Manufacturer  
d. Measure

LO: 1  
AC: 1.3  
Correct answer: D
Q15. What is the name for the total amount of time taken from the placing of an order to when it is received?

a. Lead time  
b. Order time  
c. Cycle time  
d. Waiting time

LO: 1  
AC: 1.4  
Correct answer: A

Q16. What acronym is used to help ensure that Key Performance Indicators (KPIs) are effective?

a. PESTLE  
b. SWOT  
c. SMART  
d. STEEPLE

LO: 2  
AC: 2.2  
Correct answer: C

Q17. Stuart is preparing a tender document. The products in the tender have to be exactly the same as from the current supplier when the new contract starts. Stuart has a chemical formula that the products are made to which he intends to use within the tender. What type of specification is Stuart going to use?

a. Performance  
b. Output  
c. Conformance  
d. Blue print

LO: 2  
AC: 2.2  
Correct answer: C
Q18. The CIPS Code of Conduct refers to the importance of disclosing any conflicts of interest. What is a conflict of interest?

a. A situation where a person in unable to remain impartial due to a personal involvement  
b. A situation where a person cannot decide which is the best option  
c. A situation where a person is blackmailed by an unknown party  
d. A situation where a person receives a bribe in order to award a contract

Learning outcome (LO)  Assessment criteria (AC)  The correct answer is listed below each question

LO: 3  
AC: 3.1  
Correct answer: A

Q19. A person who discloses information which they believe to be bad practice is known as a what?

a. Manager  
b. Whistle-blower  
c. Stakeholder  
d. Trouble-maker

LO: 3  
AC: 3.3  
Correct answer: B

Q20. Which description best describes the act of embezzlement?

a. The act of somebody accepting a bribe  
b. The act of somebody committing fraud  
c. The act of somebody stealing from assets for which they are responsible  
d. The act of somebody sharing confidential information with a family member

LO: 3  
AC: 3.1  
Correct answer: C