CIPS Level 3 – Advanced Certificate in Procurement and Supply Operations
Module 3 - Contract Administration

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]
Q1. A performance measure that is important to the organisation, business unit or individual who is being measured is termed a ...
   a. key practical indicator  
   b. **key performance indicator** [key]  
   c. key primary indicator  
   d. key positional indicator  
   LO: 1  
   AC: 1.2

Q2. Competitive pricing with suppliers can be achieved through ...
   a. quality standards  
   b. building supplier relationships  
   c. value added analysis  
   d. **monitoring prices and obtaining quotations** [key]  
   LO: 2  
   AC: 2.1

Q3. Drag and drop the correct option into the blank space.
   A **spot** [key] purchase is completed to meet immediate requirements, rather than for stock or to meet future demand.  
   LO: 1  
   AC: 1.1
Q4. In order to achieve effective tendering a buyer must initially …

a. forecast consumer demand
b. carry out market research [key]
c. establish a JIT philosophy
d. adopt TQM

LO: 3
AC: 3.1

Q5. A supplier offers low value non-complex goods to the organisation. The buyer may adopt which form of negotiation in these circumstances?

a. Disruptive [key]
b. Inclusive
c. Open
d. Closed

LO: 2
AC: 2.2

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

[ ] is a process through which “each party tries to achieve their goals in the context of the relationship with the other party”.

Alignment, Collaborating, Synchronising, Negotiating [key]

LO: 2
AC: 2.2
Q7. To ensure that the organisation receives value for money it will use which form of pricing mechanism?

a. Competitive [key]  
b. Optimal  
c. Agreement  
d. Commercial  

LO: 2  
AC: 2.1  

Q8. When evaluating a tender the organisation will invariably look for the most ...

a. economically viable tender [key]  
b. ecologically friendly tender  
c. believable tender  
d. cheapest tender  

LO: 3  
AC: 3.3  

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

[ ] are included in the business case to highlight value for the organisation.

Benefits [key], Time constraints, Milestones, Financial costings  

LO: 1  
AC: 1.4  

Q10. In order to manage contractual risk the organisation may develop a ...

a. quality management policy  
b. risk register [key]  
c. supplier appraisal  
d. market analysis report  

LO: 4  
AC: 4.3.1