Level 2 Certificate in Procurement and Supply Operations

NC4 - Procurement and supply administration

EXAM EXEMPLAR QUESTIONS

MULTIPLE CHOICE QUESTIONS AND ANSWERS

The correct answer will be identified as the [KEY]

Page 1 of 6
Q1  Question

An objective of purchasing is to ensure efficiency.

Which of the following is a definition of efficiency?

Answers

(a) Using an enterprise resource planning system
(b) Reviewing supplier delivery performance
(c) Completing tasks without wasting inputs [KEY]
(d) Accomplishing tasks that fit in with overall objectives.

Learning outcome: 1.1
CIPS study guide reference: Section 1.14

Q2  Question

Which of the following is used at the start of the formal purchasing process?

Answers

(a) Invitation to tender
(b) Request for quotation
(c) Purchase order
(d) Purchase requisition. [KEY]

Learning outcome: 1.2
CIPS study guide reference: Section 3.3
Q3  Question

What is the purpose of a goods received note?

Answers

(a) To inform the supplier that the goods have been received
(b) To inform purchasing and finance of any price discrepancies
(c) To inform purchasing and finance of any quality problems
(d) To inform purchasing and finance the goods have arrived. [KEY]

Learning outcome: 1.3
CIPS study guide reference: Section 3.3

Q4  Question

Which of the following are direct supplies?

Answers

(a) Spare parts for maintenance and repair
(b) Office supplies and equipment
(c) Materials for use in manufacturing [KEY]
(d) Goods not for resale.

Learning outcome: 2.1
CIPS study guide reference: Section 2
Q5  Question

Which of the following is a reason for holding safety stocks?

Answers

(a) To accommodate demand variability [KEY]
(b) To increase stock recording accuracy
(c) To reduce order and handling costs
(d) To utilise available storage capacity.

Learning outcome: 2.2
CIPS study guide reference: Section 1.2-1.8

Q6  Question

The safety stock of an inventory item is 100. The supply lead-time is two weeks and the average weekly demand is 100 units.

Which of the following is the re-order level?

Answers

(a) 100
(b) 200
(c) 300 [KEY]
(d) 400.

Learning outcome: 2.3
CIPS study guide reference: Section 1.2-1.8
Q7  Question

The acronym “MRP” stands for:

Answers

(a) Materials requirement planning [KEY]
(b) Manufacturing retail planning
(c) Maintenance repair planning
(d) Maintenance resource planning.

Learning outcome: 2.3
CIPS study guide reference: Section 3.2-3.7

Q8  Question

Which of the following is an example of expediting supplies?

Answers

(a) Emailing a supplier for a detailed quotation
(b) Making a phone call to the supplier to check on progress [KEY]
(c) Calculating how much should be ordered
(d) Selecting suppliers with the shortest quoted lead time.

Learning outcome: 3.1
CIPS study guide reference: Section 2.13-2.18
Q9  Question

Which of the following is a subjective forecasting technique?

Answers

(a) Delphi method [KEY]
(b) Moving average
(c) Time series analysis
(d) Periodic review.

Learning outcome: 3.3
CIPS study guide reference: Section 2.13-2.18

Q10  Question

Which statement describes the calculation of a weighted moving average?

Answers

(a) All data is given the same weighting unless there is a trend
(b) More recent data is given a lower weighting than older data
(c) More recent data is given a higher weighting than older data [KEY]
(d) Questionnaires are sent to a group of experts to collect data.

Learning outcome: 3.3
CIPS study guide reference: Section 3.3-3.8