



APICS

Exam Questions CSCP

Certified Supply Chain Professional

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NEW QUESTION 1

- (Topic 1)

Which of the following scenarios represents a correct application of the Supply-Chain Operations Reference-model (SCOR)?

- A. Sales and marketing refers to SCOR to improve demand generation.
- B. Production and engineering uses SCOR best practices to design a new "make" process flow.
- C. Distribution and logistics selects suppliers from the SCOR reference list.
- D. Marketing and development incorporates SCOR Level I metrics for new product design.

Answer: B

NEW QUESTION 2

- (Topic 1)

A large manufacturer wanting to be more competitive in the global market place decided to outsource its transportation and return processing to other companies on a contractual basis. The companies providing the services would be referred to as:

- A. fourth party logistics providers.
- B. third party logistics providers.
- C. retail services providers.
- D. distribution services providers.

Answer: B

NEW QUESTION 3

- (Topic 1)

Which of the following consequences is a result of shipping directly from the point of manufacture to the customer rather than through a distribution network?

- A. Delivery lead times are consistent.
- B. Risk pooling benefits are negated.
- C. Distribution overhead is increased.
- D. Order-fill rate is decreased.

Answer: B

NEW QUESTION 4

- (Topic 1)

Compared to a global strategy, a multicountry strategy would be characterized by:

- A. strategy coordination across countries.
- B. preferred suppliers located in host countries.
- C. major strategic decisions coordinated centrally.
- D. products adapted to local needs.

Answer: D

NEW QUESTION 5

- (Topic 1)

Which of the following corporate strategies is most consistent with a flexible supply chain strategy?

- A. Being the low-price leader
- B. Providing the highest-quality service
- C. Providing mature products with stable sales
- D. Emphasizing the quality of the product

Answer: B

NEW QUESTION 6

- (Topic 1)

Which of the following marketing strategies emphasizes offering services at a lower price than rival services with comparable features?

- A. Cost leadership
- B. Service differentiation
- C. Customer focus
- D. Market responsiveness

Answer: A

NEW QUESTION 7

- (Topic 1)

Using an independent service provider for logistics would be most appropriate in which of the following situations?

- A. A shoe company that wants to penetrate a foreign market
- B. A business that owns plants and warehouses globally
- C. A financial services company that wants to expand its services
- D. A cable television company that wants to add services

Answer: A

NEW QUESTION 8

- (Topic 1)

The purpose of continuous improvement in the supply chain is to:

- A. eliminate the root causes of problems.
- B. improve interorganizational communication.
- C. develop better written procedures.
- D. reduce product costs.

Answer: A

NEW QUESTION 9

- (Topic 1)

A main benefit of using customer relationship management (CRM) is:

- A. maximization of on-time delivery.
- B. minimization of product returns.
- C. identification of customers with high lifetime value.
- D. finding new markets for existing products and services.

Answer: C

NEW QUESTION 10

- (Topic 1)

A media company offers a majority of its movies through a specific distributor. The media company is beginning to produce content for a new foreign market to which the distributor has exclusive access. To maximize savings and gain entry to this new market, the media company should:

- A. create a contract for the new market.
- B. enter into a partnership.
- C. form a strategic alliance.
- D. acquire the distributor.

Answer: C

NEW QUESTION 10

- (Topic 1)

A company manufactures special products for select customers. When demand for these products drops, the manufacturer can switch the production line to a commodity-type product that can be sold on the open market at reduced terms to generate cash. The company is executing a corporate strategy that is based on:

- A. customer focus and alignment.
- B. forecast accuracy.
- C. multiple downstream channels.
- D. multiple upstream supply chains.

Answer: D

NEW QUESTION 11

- (Topic 1)

The most likely benefit of implementing a collaborative transportation management system is:

- A. lower distribution center operating costs.
- B. fewer transportation planners.
- C. less variability in picking and packing time.
- D. less variability in transportation costs.

Answer: D

NEW QUESTION 14

- (Topic 1)

Demand management involves which of the following undertakings?

- A. Adjusting capacity to support expected demand
- B. Engaging in activities associated with customer relationship management
- C. Creating higher customer demand by improving performance in areas such as lead time and service levels
- D. Understanding events and managing activities that could influence future demand

Answer: D

NEW QUESTION 19

- (Topic 1)

Which of the following situations is an example of inventory being held as a way to balance supply and demand?

- A. A manufacturer holds inventory of key components to maintain a level production schedule.

- B. A manufacturer of seasonal products builds finished-goods inventory before the peak
- C. selling period.
- D. A distributor maintains safety stock of slow-moving items at a central distribution center.
- E. A retailer stocks a variety of sizes and colors of a fast-selling item to avoid losing sales.

Answer: B

NEW QUESTION 24

- (Topic 1)

Risk pooling enables a lower total inventory level without affecting service levels based on which of the following assumptions?

- A. Inventory turnover ratio can be reduced.
- B. Aggregate demand is more accurate than disaggregate demand.
- C. The planning time fence can be adjusted as needed.
- D. The supplier shares some risk for holding inventory.

Answer: B

NEW QUESTION 29

- (Topic 1)

A company's decision to charge different prices for the same service sold in different market segments is most likely based on which of the following metrics?

- A. Internal rate of return (IRR)
- B. Lifetime customer value (LCV)
- C. Net present value (NPV)
- D. Return on investment (ROI)

Answer: B

NEW QUESTION 32

- (Topic 1)

The value that logistics provides within the supply chain can best be summarized as:

- A. satisfying customer expectations about availability and delivery at an acceptable total cost.
- B. meeting promised location and on-time delivery goals with minimal use of expediting.
- C. establishing inventory and delivery goals with various customers that fulfill the firm's profit objectives.
- D. providing accurate in-transit and delivery information to customers and salespeople.

Answer: A

NEW QUESTION 35

- (Topic 2)

Which of the following strategies would increase overall supply chain risk?

- A. Single sourcing a product that makes the highest annual profit
- B. Outsourcing a product that is not well suited to your operations
- C. Identify multiple sources for a product that has a potential for supply chain disruption
- D. Internally manufacturing a product that has a high level of technical intellectual property

Answer: A

NEW QUESTION 36

- (Topic 2)

A company currently produces custom goods for a limited market. To increase market share, the company will implement a strategy to reduce the number of products it produces and reduce delivery lead time. The company can increase its chances of achieving the strategy by:

- A. using benchmark data for products in the same product groups.
- B. incorporating results from market surveys.
- C. involving customers in the product design process.
- D. using electronic communications to receive customer complaints.

Answer: C

NEW QUESTION 40

- (Topic 2)

When a company undertakes a win-back strategy without considering the profitability of customer accounts, it is neglecting which of the following key elements?

- A. Loyalty
- B. Scoring
- C. Segmentation
- D. Prospecting

Answer: C

NEW QUESTION 45

- (Topic 2)

The transportation manager at a consumer goods manufacturer has decided to begin shipping full truckload rather than less-than-truckload quantities. Which of the following outcomes is likely following implementation of this decision?

- A. Inventory levels at the manufacturer will decrease.
- B. Lead times as seen by the customer will increase.
- C. Production efficiencies at the manufacturer will increase.
- D. Transportation costs as seen by the customer will increase.

Answer: B

NEW QUESTION 47

- (Topic 2)

The social dimension of sustainability typically would be addressed when developing and implementing policies regarding:

- A. accounting practices.
- B. biodiversity protection.
- C. conflicts of interest.
- D. waste reduction.

Answer: C

NEW QUESTION 52

- (Topic 2)

In the Supply Chain Operations Reference-model (SCOR®), the cash-to-cash cycle time for a manufacturing company is the number of days between which two of the following situations?

- A. Paying for raw materials and getting paid for the product
- B. Shipping the product from the warehouse and receiving it at the customer's location
- C. Paying for raw materials and sending an invoice to the customer
- D. Billing the customer and getting paid for the product

Answer: A

NEW QUESTION 56

- (Topic 2)

Which of the following actions is in accordance with the Ten Principles in the United Nations (UN) Global Compact?

- A. Preventing a group of employees from forming a collective bargaining (union) group
- B. Paying different wages in different parts of the world for a given job classification
- C. Requiring an individual to pay a fee for consideration in hiring or promotion decisions
- D. Withholding certain employment opportunities from specific groups of people

Answer: B

NEW QUESTION 60

- (Topic 2)

Which of the following actions is most likely to increase total supply chain risk?

- A. Standardizing components used in a product family
- B. Expanding operations to multiple locations
- C. Consolidating manufacturing locations
- D. Reducing the supplier base for commodity-type components

Answer: C

NEW QUESTION 63

- (Topic 2)

Managing supply chain risks includes which of the following activities?

- A. Developing alternatives to key suppliers
- B. Setting aside funds for disruption-recovery efforts
- C. Charging each supply chain partner a portion of risk cost
- D. Creating extra inventory to cover disruptions in the supply chain

Answer: A

NEW QUESTION 67

- (Topic 2)

A company wants to implement a system for managing environmental compliance with legislative and regulatory requirements. Which of the following sustainability tools is most appropriate?

- A. ISO 14000
- B. Global Reporting Initiative (GRI)
- C. ISO 26000

D. UN Global Compact

Answer: A

NEW QUESTION 68

- (Topic 2)

The most appropriate reason for a business to comply with the United Nations (UN) Global Compact practices typically would be to:

- A. enhance the competitive advantage.
- B. gain access to proven management tools.
- C. reduce the threat of organized labor.
- D. reduce the cost of operating in multiple countries.

Answer: A

NEW QUESTION 73

- (Topic 2)

A company that sells direct to industrial and commercial businesses has become successful by being responsive to the needs of its customers. The company currently produces in each country all of the products it sells in that country. Several countries in which the company operates have negotiated an agreement to establish a trading bloc. Which of the following actions by the company would be most appropriate if the agreement is implemented?

- A. Consolidate production outside the trading bloc to reduce total costs.
- B. Consolidate production within the trading bloc to reduce tariffs paid.
- C. Outsource the production of products with low sales volumes to reallocate capacity.
- D. Reassign products so that each is produced in a single facility within the trading bloc to get economies of scale.

Answer: D

NEW QUESTION 74

- (Topic 2)

When implementing e-commerce in the supply chain, a company's toughest challenge most likely will be:

- A. getting all vendors to computerize.
- B. translating data into universal standards.
- C. convincing the information technology department of the value.
- D. explaining the reason for change to customers.

Answer: B

NEW QUESTION 79

- (Topic 2)

Customizing can be an effective warehousing strategy because it allows a company to:

- A. allocate available storage space to optimize handling costs.
- B. address trade-offs between space and material handling needs.
- C. effectively design its inbound and outbound dock areas.
- D. add value to the product through modification, labeling, and packaging.

Answer: D

NEW QUESTION 82

- (Topic 2)

A manufacturer and the distributors of its products have decided to focus on price and product availability as strategic priorities. Which of the following values would be the most appropriate measure of customer service?

- A. Manufacturer's volume flexibility
- B. Order-fulfillment lead times
- C. Distributors' order-fill rates
- D. Supply chain inventory days of supply

Answer: C

NEW QUESTION 85

- (Topic 2)

The process used to determine the impact of promotions, price discounts, and rebates on demand forecasts commonly is referred to as demand:

- A. planning.
- B. forecasting.
- C. aggregating.
- D. shaping.

Answer: D

NEW QUESTION 87

- (Topic 2)

Implementation of supply chain applications based on which of the following technologies is most likely to have the lowest fixed costs?

- A. Best of breed packages
- B. One integrated package
- C. Service-oriented architecture
- D. Software-as-a-service

Answer: D

NEW QUESTION 88

- (Topic 2)

The demand side of a traditional warehouse management system primarily is concerned with:

- A. receiving incoming goods.
- B. assigning storage locations.
- C. assembling outbound orders.
- D. forecasting product demand.

Answer: C

NEW QUESTION 91

- (Topic 2)

A toy company decides to buy more products from an overseas company to reduce costs. To make sure that goods clear customs more quickly, the company most likely would engage a:

- A. consolidator.
- B. overseas carrier.
- C. shipping association.
- D. freight forwarder.

Answer: D

NEW QUESTION 95

- (Topic 2)

A company originally based in Germany sets up companies in India, China, Vietnam, Mexico, and Brazil. It sources most of the raw materials locally and employs the local workforce to manage and produce finished goods. Most of the goods produced are consumed in the same country. The company can be classified as what type of enterprise?

- A. Globally integrated
- B. Domestic
- C. Multinational
- D. Virtual

Answer: C

NEW QUESTION 97

- (Topic 3)

Which of the following behaviors is appropriate for a progressive company that is responding to changes in its supply chain?

- A. Pursuing cost reduction continuously
- B. Developing multiple supply chains for different product lines
- C. Ensuring demand before committing to a change in the supply chain
- D. Designing products for maximum lifetime

Answer: B

NEW QUESTION 101

- (Topic 3)

A supplier disputes a low rating generated by a company's enterprise resources planning (ERP) system. Which of the following actions by the purchasing agent is most appropriate?

- A. Advise the ERP information technology manager that there is a flaw in the rating system.
- B. Scrap the vendor rating system until the company can figure out what is wrong.
- C. Compare the vendor and company detail records, and interview company employees who handled the data.
- D. Tell the supplier that, regardless of the disputed claims, the supplier must improve performance.

Answer: C

NEW QUESTION 105

- (Topic 3)

Which of the following statements best identifies the value of using a supplier rating system?

- A. It provides an objective means for a company to determine outstanding suppliers.
- B. It allows customers to post chargebacks to suppliers.
- C. It offers a company an effective way to control suppliers' delivery processes.
- D. It ensures that all suppliers are using the same quality standards to manufacture products.

Answer: A

NEW QUESTION 109

- (Topic 3)

Customer demand is 120 units per week. The company works on a 9-hour shift per day, 5- day per week basis. Each shift has a ½-hour lunch break and two 15-minute coffee breaks. The cycle time is 12 minutes. To meet demand, production must occur at the rate of one unit every:

- A. 12 minutes.
- B. 20 minutes.
- C. 22.5 minutes.
- D. 28 minutes.

Answer: B

NEW QUESTION 112

- (Topic 3)

Which of the following actions is most likely to improve customer perceptions about delivery performance provided by a firm?

- A. Shipping orders early whenever possible
- B. Increasing the order-fill rate
- C. Increasing inventory velocity for key products
- D. Implementing a pull inventory replenishment system

Answer: B

NEW QUESTION 115

- (Topic 3)

Functional products require which of the following types of supply chain process?

- A. Restrictive
- B. Innovative
- C. Efficient
- D. Integrated

Answer: :C

NEW QUESTION 116

- (Topic 3)

What benefit does Radio Frequency Identification (RFID) technology provide for a high- volume, low-cost manufacturer?

- A. Reduces store thefts
- B. Eliminates the effects of bullwhip
- C. Eliminates stock out at store level
- D. Reduces number of touch points in pallet handling

Answer: D

NEW QUESTION 117

- (Topic 3)

A manufacturer is evaluating outsourcing production of high-volume components. Outsourcing production will likely require an increase in total supply chain inventory for the components due to an increase in:

- A. demand.
- B. lead time.
- C. quality.
- D. suppliers.

Answer: B

NEW QUESTION 121

- (Topic 3)

A supply chain visibility application helps an organization by:

- A. planning raw material requirements.
- B. removing outliers from independent demand forecasts.
- C. providing flexibility in customer delivery locations.
- D. providing comprehensive information from any point of contact.

Answer: D

NEW QUESTION 124

- (Topic 3)

Which of the following approaches reduces lead times from supplier to customer using point of sale data?

- A. Advanced shipping notice (ASN)

- B. Continuous quality improvement (CQI)
- C. Vendor-managed inventory (VMI)
- D. Efficient consumer response (ECR)

Answer: D

NEW QUESTION 126

- (Topic 3)

Which of the following methodologies is most appropriate to use to drive continuous improvement?

- A. Define-measure-analyze-improve-control process
- B. Kanban
- C. Poka-yoke
- D. Pareto analysis

Answer: A

NEW QUESTION 131

- (Topic 3)

Which of the following attributes is an example of both supply and operational risk?

- A. Quality
- B. Order quantities
- C. Robust processes
- D. Product mix

Answer: A

NEW QUESTION 135

- (Topic 3)

A primary objective of customer relationship management is to:

- A. implement market segmentation.
- B. create a data warehouse with critical customer information.
- C. identify customer needs for a greater level of satisfaction.
- D. target product promotions to customer segments.

Answer: C

NEW QUESTION 136

- (Topic 3)

The primary risk that must be considered when lean practices are applied to a supply chain network is:

- A. decreased operations flexibility.
- B. decreased inventory availability.
- C. increased total ordering costs.
- D. increased customer returns.

Answer: B

NEW QUESTION 137

- (Topic 3)

Organizations that change from a traditional purchasing perspective to a supply chain perspective most likely will adopt techniques related to:

- A. product pricing.
- B. value stream analysis.
- C. centralized decision making.
- D. sourcing multiple suppliers.

Answer: B

NEW QUESTION 138

- (Topic 3)

A company recently faced an increase in backorders. The company's marketing department recently ran a sales promotion. The purchasing and planning departments were not aware of the promotional activity. Which of the following processes will help to solve this type of problem in the future?

- A. Sales and operations planning (S&OP)
- B. Advanced planning and scheduling (APS)
- C. Supplier relationship management (SRM)
- D. Customer relationship management (CRM)

Answer: A

NEW QUESTION 142

- (Topic 3)

A retailer sets service-level targets intended to maximize total profit. The retailer's service level target should be highest for items with a high profit margin and:

- A. low variability of demand.
- B. made to stock.
- C. small replenishment lot size.
- D. made to order.

Answer: A

NEW QUESTION 143

- (Topic 3)

A firm has increased finished-goods inventories for several products to compensate for increased variability in demand. The firm analyzed shipment data and determined that the variability was due to a few customers placing large orders for single shipments to obtain discounts. Which of the following actions is the firm most likely to take to maintain sales and reduce variability in demand?

- A. Reducing discounts for large orders
- B. Encouraging high-volume customers to place blanket orders
- C. Implementing extrinsic forecasting methods
- D. Increasing the level of safety stock on high-volume products

Answer: B

NEW QUESTION 144

- (Topic 3)

A firm has identified key benefits for developing a strategic alliance and has selected appropriate supply chain partners. Which of the following actions should the firm take to build a successful alliance with a supplier who is also a competitor?

- A. Establish an internal committee to limit shared information.
- B. Negotiate contracts that maximize the firm's profits.
- C. Instruct employees to ignore the competitive aspect of the relationship.
- D. Encourage employees to cooperate with the supplier.

Answer: :D

NEW QUESTION 147

- (Topic 3)

Short order cycles to facilitate rapid replenishment will result in:

- A. minimal in-process inventory.
- B. fewer inventory moves.
- C. improved communications to customers.
- D. increased supplier collaboration.

Answer: A

NEW QUESTION 148

- (Topic 3)

Pull strategy typically would be the most appropriate strategy when customer demand uncertainty is:

- A. high, and supplier lead time is long.
- B. high, and supplier lead time is short.
- C. low, and supplier lead time is long.
- D. low, and supplier lead time is short.

Answer: B

NEW QUESTION 151

- (Topic 3)

When profit impact is high and supply risk is low for an item, which of the following procurement strategies is most likely to be effective and successful?

- A. Leveraging purchasing power
- B. Forming a long-term partnership
- C. Automating the procurement process
- D. Ensuring continuous supply

Answer: A

NEW QUESTION 153

- (Topic 3)

The make-to-stock model is an effective inventory strategy when the product:

- A. has a long manufacturing lead time.
- B. has a limited set of features.
- C. is designed by the customer.
- D. is frequently out of stock.

Answer: B

NEW QUESTION 156

- (Topic 3)

A company has an asset turnover ratio of 1.8, inventory of \$3,000, a 20% profit margin, and \$5,000 in total assets. What is the total sales volume for the company?

- A. \$ 5,400
- B. \$ 9,000
- C. \$15,000
- D. \$25,000

Answer: B

NEW QUESTION 161

- (Topic 3)

A company used Global Reporting Initiative guidelines to complete a self-assessment. Which of the following actions would be the most appropriate next step?

- A. Share information with all stakeholders
- B. Obtain top management support
- C. Identify action items
- D. Conduct gap analysis

Answer: D

NEW QUESTION 166

- (Topic 3)

Which of the following approaches most likely will help a company reduce its cost of sales while increasing customer loyalty?

- A. Business process design
- B. Business development mapping
- C. Customer relationship management
- D. Sales contact management

Answer: C

NEW QUESTION 170

- (Topic 3)

The most useful inventory costing method which enables purchase price variance analysis is:

- A. average costing.
- B. standard costing.
- C. last in first out (LIFO) costing.
- D. first in first out (FIFO) costing.

Answer: B

NEW QUESTION 173

- (Topic 3)

Which of the following conditions are most indicative of a company that is effectively managing its cash?

- A. Low accounts receivable, low inventory, high accounts payable
- B. High accounts receivable, low inventory, high accounts payable
- C. Low accounts receivable , high inventory, low accounts payable
- D. High accounts receivable, high inventory, low accounts payable

Answer: A

NEW QUESTION 177

- (Topic 3)

Purchased component standardization generates savings primarily by reducing:

- A. assembly costs through economies of scale.
- B. engineering costs due to lower testing requirements.
- C. inventory control costs due to smaller shelf space requirements.
- D. inventory transportation costs by using economical modes.

Answer: A

NEW QUESTION 181

- (Topic 3)

Which of the following metrics would be most appropriate for a group of trading partners that is trying to gain competitive advantage through supply chain reliability?

- A. Cash-to-cash cycle time
- B. Supply chain response time
- C. Order-fill rate performance

D. Value-added productivity per employee

Answer: C

NEW QUESTION 185

- (Topic 3)

A retailer wants to partner with its suppliers to implement automatic replenishment of inventories and joint sales forecasts. Which of the following supply chain management technologies most likely would support the retailer's strategy?

- A. Advanced planning and scheduling
- B. Collaborative planning, forecasting, and replenishment
- C. Supplier relationship management applications
- D. Radio frequency identification (RFID) tags

Answer: B

NEW QUESTION 187

- (Topic 3)

A company may reduce its amount of safety stock by:

- A. substituting information for inventory.
- B. increasing the number of retailers.
- C. increasing the number of producers.
- D. changing to a push system.

Answer: A

NEW QUESTION 190

- (Topic 3)

A company has limited visibility of global customer sales. Which of the following methods is the most appropriate way to sense and respond to customer demand?

- A. Point of sale
- B. Sales and operations planning
- C. Demand-driven supply network
- D. Customer relationship management

Answer: C

NEW QUESTION 195

- (Topic 3)

Which of the following tradeoffs should be considered when selecting logistics options?

- A. Safety stock levels and customer service levels
- B. Inventory levels and scheduling operations
- C. Transportation cost and speed of delivery
- D. Centralized and decentralized distribution network

Answer: C

NEW QUESTION 198

- (Topic 3)

Which of the following actions by trading partners is most likely to reduce the goods that will be processed by the reverse supply chain?

- A. Contracting with a third party to process returned goods
- B. Designing products that are easy to disassemble
- C. Working to delay regulations that require accepting returns
- D. Providing support and service that meet customer needs

Answer: D

NEW QUESTION 203

- (Topic 3)

Which of the following actions is most likely to improve the cash-to-cash cycle time?

- A. Find suppliers with lower total cost of ownership (TCO)
- B. Implement vendor-managed inventory (VMI) with key suppliers
- C. Implement vendor-managed inventory (VMI) with key customers
- D. Establish targeted promotions for the most profitable market segments

Answer: B

NEW QUESTION 205

- (Topic 3)

Which of the following elements is critical to successfully using a sales and operations planning process?

- A. Focusing on performance of the past 12 to 18 months
- B. Implementing a unified cross-functional plan and process
- C. Implementing bottom-up decision making
- D. Aligning the forecast to the annual budget

Answer: B

NEW QUESTION 210

- (Topic 3)

Which of the following factors typically is most critical to effective change management?

- A. Early involvement of key stakeholders
- B. Extensive stakeholder education
- C. Analysis of the root causes of problems
- D. Quantification of potential benefits of the change

Answer: :A

NEW QUESTION 214

- (Topic 3)

Which of the following manufacturing strategies would run the greatest risk of increasing obsolete inventory costs?

- A. Make-to-stock
- B. Assemble-to-order
- C. Make-to-order
- D. Engineer-to-order

Answer: A

NEW QUESTION 219

- (Topic 3)

The most common method for coping with demand variability in the manufacture of products with a lengthy cycle time is to have:

- A. higher raw material inventory.
- B. higher finished-goods inventory.
- C. lower finished-goods inventory.
- D. lower raw material inventory.

Answer: B

NEW QUESTION 221

- (Topic 3)

Which of the following activities occurs as part of the sales and operations planning process?

- A. Time fences are matched to master production schedule horizons.
- B. The next quarter's forecasts are presented by sales staff to finance and operations personnel at the final meeting.
- C. Strategic plans are adjusted based on changing operating situations.
- D. Plans are converted to financial projections and capacity requirements.

Answer: D

NEW QUESTION 223

- (Topic 3)

A firm has captured the following information for a product family:

Product Data	Days
Supply of inventory	53
Payables outstanding	25
Receivables outstanding	34
Time to fill an order	14
Production lead time	7

The cash-to-cash cycle time is how many days?

- A. 41
- B. 44
- C. 62
- D. 74

Answer: C

NEW QUESTION 224

- (Topic 3)

Which of the following supplier performance factors typically is most critical for organizations that outsource production?

- A. Speed
- B. Reliability
- C. Flexibility
- D. Malfunction recovery

Answer: B

NEW QUESTION 226

- (Topic 3)

A company develops annual forecasts for key products and enters into annual contracts with key suppliers based on the forecasts. Which of the following benefits would the company most likely receive from this approach?

- A. Shorter delivery lead times
- B. Lower prices
- C. Improved service
- D. Higher-quality products

Answer: B

NEW QUESTION 228

- (Topic 3)

If a company successfully implements a sales and operations planning process, which of the following measures would be expected to increase?

- A. Percentage of on-time deliveries
- B. Cash-to-cash cycle time
- C. Forecast variation
- D. Cost of goods sold

Answer: A

NEW QUESTION 230

- (Topic 3)

Value stream mapping is a useful tool primarily because it:

- A. redefines supply chain relationships.
- B. is completed in 1 or 2 days.
- C. is used to improve efficiency in a specific area.
- D. looks at the entire supply chain rather than an isolated process.

Answer: D

NEW QUESTION 233

- (Topic 3)

A company that manufactures complex mechanical assemblies to customer order and ships them directly to the customer is implementing manufacturing cells. The benefit most likely to result from this effort is a reduction in the:

- A. number of component shortages.
- B. production planning horizon.
- C. time to fill customer orders.
- D. response time to a request for quote.

Answer: C

NEW QUESTION 234

- (Topic 3)

A supplier has decided to improve its forecast accuracy by reducing the information lead time from the retailer. Which of the following actions would be most appropriate to achieve the desired result?

- A. Eliminating sales and promotions
- B. Decentralizing demand information
- C. Reducing its quoted lead time
- D. Utilizing electronic data interchange

Answer: D

NEW QUESTION 236

- (Topic 3)

Which of the following factors are fundamental to transportation performance?

- A. Full truck loads, maintenance, discounts
- B. Quality, Just-in-Time, invoicing
- C. Contract performance, order tracking, flexibility
- D. Cost, speed, delivery consistency

Answer: D

NEW QUESTION 239

- (Topic 3)

Which of the following factors is most important to consider when deciding on offshore outsourcing of manufacturing to a supplier?

- A. Size of the supplier organization
- B. Total cost of ownership
- C. Supplier performance history
- D. Supplier certification

Answer: B

NEW QUESTION 241

- (Topic 3)

The theory of constraints (TOC) works best in an environment where the:

- A. product mix for the operation changes daily.
- B. constraint cannot be easily managed.
- C. constraint cannot be easily identified.
- D. constraint persists long enough to be managed effectively.

Answer: D

NEW QUESTION 246

- (Topic 3)

Which of the following principles is a core value of the UN Global Compact?

- A. Anti-Corruption
- B. Profitability
- C. Discrimination
- D. Employment

Answer: A

NEW QUESTION 248

- (Topic 3)

Which of the following issues recently has caused companies to rethink implementation or continued use of a Just-in-Time system?

- A. The upward trend in inventory carrying costs

- B. The reduced number of potential suppliers
- C. The elimination of billing documents
- D. Higher transportation costs

Answer: D

NEW QUESTION 251

- (Topic 3)

Which of the following outcomes is the primary benefit to an organization that develops a supplier certification program?

- A. Supplier capability is documented.
- B. Inspection costs are reduced.
- C. Delivery time is improved.
- D. Negotiating power is strengthened for the certifying organization.

Answer: B

NEW QUESTION 255

- (Topic 3)

Which of the following actions by a group of trading partners is most likely to improve the flow of funds among them?

- A. Increasing the level of information sharing and collaboration
- B. Negotiating a single set of terms for the trading partners
- C. Reducing the time allowed for the timely payment discount
- D. Implementing links among their information systems

Answer: A

NEW QUESTION 256

- (Topic 3)

Top management typically plans an organization's long-term future by isolating new opportunities and threats and identifying growth objectives during the process known as:

- A. resource planning.
- B. sales and operations planning.
- C. corporate strategizing.
- D. financial planning.

Answer: C

NEW QUESTION 257

- (Topic 3)

Which of the following tools is most important in developing strategic sourcing?

- A. Price break analysis
- B. Network analysis
- C. Blanket purchase order
- D. Spend analysis

Answer: D

NEW QUESTION 258

- (Topic 3)

A key assumption of the economic order quantity (EOQ) is that:

- A. future demand cannot be projected.
- B. the rate of demand is continuous and constant.
- C. reorder frequency is fixed.
- D. as the lot size decreases, the setup cost per unit decreases.

Answer: B

NEW QUESTION 263

- (Topic 3)

Variability in product design can best be reduced by:

- A. initiating 100% product inspection.
- B. outsourcing the design process.
- C. broadening design specifications.
- D. applying Six Sigma principles.

Answer: D

NEW QUESTION 264

- (Topic 3)

A company plans to benchmark its shipping reliability compared to other companies in the industry. Which measurement is most appropriate to benchmark in this case?

- A. Perfect order fulfillment
- B. Upside supply chain flexibility
- C. Order fulfillment cycle time
- D. Total inventory days of supply

Answer: A

NEW QUESTION 269

- (Topic 3)

During the sales and operations planning (S&OP) horizon, planned inventory can best be used to:

- A. implement a time-phased stock replenishment plan.
- B. allow for consistent production lot sizing.
- C. buffer the company against unknown fluctuations in demand.
- D. minimize storage and transportation costs.

Answer: C

NEW QUESTION 272

- (Topic 3)

A company exports products to emerging markets. Which of the following approaches would be used to enhance compliance, minimize risks, and connect supply chain activities?

- A. Logistics network planning
- B. Distribution requirements planning
- C. Supply chain event management
- D. Global trade management

Answer: D

NEW QUESTION 277

- (Topic 3)

Which of the following actions is key to identifying potential problems in lean supply chain development?

- A. Implement vendor managed inventory
- B. Install a supply chain solution
- C. Reduce customer order size
- D. Reduce inventory levels

Answer: D

NEW QUESTION 279

- (Topic 3)

Some firms that have licensed other companies to manufacture their products run the risk of:

- A. losing market share.
- B. the other companies becoming competitors.
- C. the products becoming a commodity.
- D. the products being overpriced.

Answer: B

NEW QUESTION 280

- (Topic 3)

A disadvantage of capable-to-promise (CTP) when compared to available-to-promise (ATP) is:

- A. the loss of potential sales based on earlier allocations.
- B. it does not include inventory levels.
- C. it requires the purchase of additional equipment.
- D. it requires more complex calculations.

Answer: D

NEW QUESTION 282

- (Topic 3)

The primary focus of lean manufacturing is:

- A. eliminating activities that do not add value.
- B. reducing inventory levels.
- C. optimizing production activities.
- D. maximizing the output of constraints.

Answer: A

NEW QUESTION 286

- (Topic 3)

Designing a supply chain to maximize responsiveness and flexibility is most appropriate for which of the following types of organizations?

- A. Public utility provider
- B. Configurable products manufacturer
- C. Commodity goods supplier
- D. Luxury goods manufacturer

Answer: B

NEW QUESTION 287

- (Topic 3)

A firm expands distribution of its products into additional countries. Some customers initiate order batching, which could lead to which of the following outcomes?

- A. Bullwhip effect
- B. Price fluctuations
- C. Rationing
- D. Better forecasting

Answer: A

NEW QUESTION 290

- (Topic 3)

An advanced planning system differs primarily from enterprise resources planning by:

- A. optimizing operations scheduling.
- B. translating plans into action.
- C. concentrating on production.
- D. linking to the transportation management system.

Answer: A

NEW QUESTION 294

- (Topic 3)

The profit margin for a product that is currently made in the company's facility has decreased during the past 2 years. Which of the following factors should be considered when deciding whether to make or buy the product?

- A. Production capabilities
- B. Transportation capabilities
- C. Distribution channels
- D. Landed cost

Answer: D

NEW QUESTION 295

- (Topic 3)

Which of the following steps is first in developing a product differentiation strategy?

- A. Study customer needs
- B. Define customer segments
- C. Determine design modifications
- D. Establish competitive priorities

Answer: A

NEW QUESTION 298

- (Topic 3)

Which of the following strategies typically will require the lowest inventory investment and deliver the shortest lead time?

- A. Producing finished goods to forecast and shipping directly to customers
- B. Producing finished goods to forecast and distributing through a multi-echelon network
- C. Producing subassemblies to forecast and doing final assembly and shipping from the factory
- D. Producing subassemblies to forecast and doing final assembly and shipping from regional centers

Answer: D

NEW QUESTION 299

- (Topic 3)

A manufacturing company with limited competence in logistics plans to expand into an international market. The most appropriate initial action the company should take is to:

- A. buy a distribution company.
- B. build a distribution network.
- C. engage a third-party logistics company.
- D. gain logistics experience.

Answer: C

NEW QUESTION 300

- (Topic 3)

When evaluating several possible supply chain options, a firm considering the minimal total cost should:

- A. ensure that the inventory levels are as low as possible to minimize holding costs while still providing adequate customer service.
- B. account for the combined costs of holding buffer inventory and incurring inventory shortages.
- C. consider the costs of acquiring, holding, and transporting inventory, and of servicing customers.
- D. place buffer inventory in the lowest cost locations that meet lead time and service level requirements from customers.

Answer: C

NEW QUESTION 303

- (Topic 3)

Compared to the traditional enterprise resources planning (ERP) system, an electronic business system (EBS) is preferred for today's e-business solution because EBS:

- A. is more flexible and functional.
- B. is the backbone of outsourcing services.
- C. has converged with Web-based applications to form a grouping of business software functions.
- D. encompasses e-procurement as a traditional purchasing function.

Answer: C

NEW QUESTION 306

- (Topic 3)

A manufacturer experiences frequent changes in product technology and market preferences, resulting in new product introductions each year. Which of the following sourcing strategies would be most appropriate?

- A. Sole sourcing
- B. Multiple sourcing
- C. Long-term contracting
- D. Strategic partnering

Answer: D

NEW QUESTION 310

- (Topic 3)

Incorporating information technology into its supply chain allows a company to efficiently:

- A. collect, store, encode, process, analyze, transmit, receive, and print data.
- B. manage order entry, scheduling, warehousing, and order tracking.
- C. incorporate elements of Six Sigma into supplier relationships.
- D. upgrade enterprise resources planning revisions in a timely and secure manner.

Answer: A

NEW QUESTION 311

- (Topic 3)

The use of kanban for item replenishment by external suppliers requires:

- A. accurate long-term forecasts.
- B. returnable plastic containers.
- C. close communication about component usage.
- D. a process for the reverse supply chain.

Answer: C

NEW QUESTION 316

- (Topic 3)

A company most likely would implement a supplier certification program to:

- A. improve the supplier's procurement process.
- B. abide by ISO standards.
- C. validate the supplier's compliance with requirements.
- D. implement point-of-sale (POS) terminals.

Answer: :C

NEW QUESTION 320

- (Topic 3)

Horizontal and vertical exchanges of secure data among supply chain partners are facilitated best by:

- A. the intranet.

- B. a portal.
- C. a Web site.
- D. e-mail.

Answer: B

NEW QUESTION 322

- (Topic 3)

Which of the following activities is the most appropriate use of an advanced planning and scheduling system?

- A. Selecting the target market for a product
- B. Optimizing transportation routes
- C. Creating a daily demand forecast
- D. Identifying constraints within a facility

Answer: D

NEW QUESTION 323

- (Topic 3)

A company regularly issues sustainability reports in accordance with the Global Reporting Initiative (GRI) framework and uses the reports to track continuous improvement. Which of the following topics could be found in the sustainability reports?

- A. Labor practices
- B. Product specifications
- C. Raw material costs
- D. Currency exchange rates

Answer: A

NEW QUESTION 328

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