



# APICS

## Exam Questions CSCP

Certified Supply Chain Professional

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#### NEW QUESTION 1

- (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 2

- (Topic 1)

Which of the following situations is an example of postponement?

- A. Shipments are broken down into small groups for reshipment.
- B. Shipments are consolidated immediately for reshipment.
- C. Production begins after a customer order is received.
- D. Partially assembled goods are assembled at a later stage.

**Answer: D**

#### NEW QUESTION 3

- (Topic 1)

Continuous improvement is best described as:

- A. a never-ending effort to expose and eliminate root causes of problems.
- B. a never-ending effort by the management team to reduce cycle time.
- C. identifying and implementing big-step improvements within a process.
- D. a process in which a supplier commits to replenishing inventory based on demand without receiving replenishment orders.

**Answer: A**

#### 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)

Reverse supply chain activity typically peaks nearest the beginning of which of the following stages of the product life cycle?

- A. Introduction
- B. Growth
- C. Maturity
- D. Decline

**Answer: D**

#### NEW QUESTION 6

- (Topic 1)

A remanufacturer of equipment is most likely to have what type of supply chain?

- A. Modular logistics
- B. Reverse logistics
- C. Mixed model
- D. Lateral

**Answer: B**

#### NEW QUESTION 7

- (Topic 1)

A manufacturer of plastic components that are sold either directly or through distributors wants to identify the requirements of the end customers for each market segment. Which of the following approaches would be most appropriate?

- A. Analyzing the buying history for each of the market segments
- B. Asking the manufacturer's direct customers
- C. Conducting a market research project

D. Sending samples of potential future products to the final customers

**Answer:** C

#### NEW QUESTION 8

- (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 9

- (Topic 1)

A manufacturer can simplify the forecasting process by pooling demand forecasts for a product group and then:

- A. averaging total demand and spreading it evenly across all items.
- B. disaggregating demand to the item level based on marketing input.
- C. disaggregating demand to the item level based on historical proportions.
- D. allocating demand to each production site.

**Answer:** C

#### NEW QUESTION 10

- (Topic 1)

Which of the following indicators is most appropriate to use as a measure of supply chain utilization?

- A. Production equipment productivity
- B. Net asset turnover
- C. Value-added productivity per employee
- D. Upside flexibility

**Answer:** B

#### NEW QUESTION 10

- (Topic 1)

Keeping all other factors equal, a company typically will try to maintain higher service levels for products with:

- A. wider variety.
- B. shorter lead time.
- C. higher profit margins.
- D. lower sales volumes.

**Answer:** C

#### NEW QUESTION 12

- (Topic 1)

A company that produces standardized products and sells them through retailers via a responsive transportation system has decided to expand its sales with an online store for customized products. Which of the following distribution strategies would be the most appropriate for the business-strategy change?

- A. Local distribution centers serving retailers and online sales
- B. Centralized cross-docking facilities serving retailers and online sales
- C. A centralized distribution center serving retailers and direct shipment from the factory serving online sales
- D. A centralized distribution center serving retailers with transshipment arrangements serving online sales

**Answer:** C

#### NEW QUESTION 16

- (Topic 1)

Which of the following actions typically would be considered part of a reverse logistics strategy?

- A. Offering a discount on new purchases when used products are returned
- B. Reducing the amount of packaging material used in shipping
- C. Manufacturing products in batches consistent with full-truckload shipments
- D. Batching returns of defective components to the suppliers

**Answer:** A

#### NEW QUESTION 20

- (Topic 1)

After identifying the potential causes for delays in communicating demand information up the supply chain, the trading partners should take which of the following actions?

- A. Implement a higher-speed data communications network.
- B. Change procedures so data is communicated more frequently.
- C. Identify the root causes for the delays.
- D. Map and analyze the value stream.

**Answer:** C

#### NEW QUESTION 21

- (Topic 1)

Incorporating supplier input into product and process design helps to:

- A. maintain quality.
- B. stabilize product costs.
- C. reduce time to market.
- D. save costs to the buyer.

**Answer:** C

#### NEW QUESTION 25

- (Topic 1)

Which of the following benefits of supplier relationship management typically results from collaboration with a few critical suppliers?

- A. Automation of supplier sales activities
- B. Elimination of formal contracts
- C. Reduction in customer and supplier inventories
- D. Standardization of communications

**Answer:** C

#### NEW QUESTION 26

- (Topic 1)

The factors to consider in the make-or-buy decision include costs, proprietary knowledge, and:

- A. design history.
- B. available capacity.
- C. inventory balance.
- D. warehouse location.

**Answer:** B

#### NEW QUESTION 31

- (Topic 1)

Which of the following forecasting methods relies on the opinions of a panel of experts?

- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

**Answer:** A

#### NEW QUESTION 33

- (Topic 1)

The primary reason for a firm to pursue strategic supply chain activities is to:

- A. gain competitive advantage.
- B. reduce costs.
- C. increase productivity.
- D. decrease product lead time.

**Answer:** A

#### NEW QUESTION 37

- (Topic 1)

The focus of collaborative supply chain management differs from a transactional approach by its emphasis on the:

- A. transportation of goods to the next link in the chain.
- B. flow of product information up to the next level of the chain.
- C. flow of demand information and cash up the chain.
- D. flow of supply into an organization.

**Answer:** C

#### NEW QUESTION 42

- (Topic 1)

Maintaining a long-term collaborative relationship with a trading partner requires:

- A. formal and informal communication.
- B. interconnected information systems.
- C. one partner regularly exercising power.
- D. standardized terms of agreement.

**Answer:** A

#### NEW QUESTION 47

- (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 selling period.
- 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 51

- (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 55

- (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 60

- (Topic 2)

What are the steps in the supplier relationship process?

- A. Measure, fulfill, document, model
- B. Source, document, manage
- C. Measure, procure, fulfill, model
- D. Source, procure, fulfill, manage

**Answer:** D

#### NEW QUESTION 61

- (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 62

- (Topic 2)

A company ships from its manufacturing facilities directly to its warehouses. If the number of warehouses increases, transportation costs between manufacturing facilities and warehouses most likely will:

- A. increase.
- B. decrease.
- C. not change.
- D. become less predictable.

**Answer:** A

#### NEW QUESTION 67

- (Topic 2)

The strategy to implement supplier relationship management has been developed. The most appropriate next step is to:

- A. develop criteria for prospective partners.
- B. develop policies for alliances.
- C. select initial partners.
- D. conduct a pilot implementation.

**Answer:** A

#### NEW QUESTION 70

- (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 74

- (Topic 2)

A company closely monitors supplier performance and notices recent late deliveries from one supplier. The supplier discloses flood damage at the plant. The company quickly shifts sourcing to a new supplier and has minimal loss of sales. Which of the following risk strategies reflects the company's actions?

- A. Achieving low cost through reaction
- B. Creating an adaptive supply chain community
- C. Reducing supply chain vulnerability
- D. Investing in redundancy

**Answer:** B

#### NEW QUESTION 75

- (Topic 2)

Which of the following processes would a company use to evaluate the risk profile for end- of-life planning for a product family?

- A. Distribution requirements planning
- B. Sales and operations planning
- C. Rough-cut capacity planning
- D. Production activity control

**Answer:** B

#### NEW QUESTION 80

- (Topic 2)

Which of the following strategies can be used to help manage global risks?

- A. Direct shipment
- B. Cross-docking
- C. Mass customization
- D. Flexibility

**Answer:** D

#### NEW QUESTION 82

- (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 87

- (Topic 2)

The mission of the global reporting initiative (GRI) is to provide a:

- A. comparison of key metrics for companies in the same industries across the globe.



- B. feasible business plan that can be shown to global potential investors.
- C. trusted and credible framework for reports regarding sustainability practices.
- D. transparent collaboration between non-profit organizations and governments.

**Answer:** C

#### NEW QUESTION 90

- (Topic 2)

Distribution from which of the following types of sites enables goods to enter a country, undergo further modification, and then be exported without paying customs duties?

- A. Public warehouse
- B. Value-added territory
- C. Free trade zone
- D. Customs clearing house

**Answer:** C

#### NEW QUESTION 91

- (Topic 2)

A company's supply chain depends heavily on sourcing from international suppliers. Conditions increasingly threaten supply continuity. Which of the following actions is most appropriate?

- A. Source from domestic suppliers.
- B. Conduct a risk assessment.
- C. Carry additional safety stock.
- D. Spread logistics across multiple carriers.

**Answer:** B

#### NEW QUESTION 94

- (Topic 2)

A company is formally adhering to the principles of the UN Global Compact. After a review of their supply chain, they have found that a key supplier is in violation of the compact. The best action for the company to do first is:

- A. do nothin
- B. The company is not responsible for compliance of suppliers.
- C. replace the supplier as soon as possible with a compliant supplier.
- D. notify the supplier of non-compliance.
- E. require the supplier to become compliant.

**Answer:** C

#### NEW QUESTION 98

- (Topic 2)

A company's product cannot be sold beyond 12 months from the date of manufacture. The product contains hazardous material and must be returned to the factory to be neutralized. This situation is an example of product:

- A. reuse.
- B. remanufacturing.
- C. recovery.
- D. refurbishing.

**Answer:** C

#### NEW QUESTION 103

- (Topic 2)

Inventory parameters established using analytic inventory techniques typically are based on balancing:

- A. supply and dependent demand.
- B. customer service and inventory costs.
- C. transportation and warehousing costs.
- D. inventory levels and decision-making costs.

**Answer:** B

#### NEW QUESTION 104

- (Topic 2)

A company that sells engineered-to-order products is planning implementation of a supplier relationship management system (SRM) for direct materials. Which of the following factors is most likely to make the implementation difficult?

- A. Complexity of the purchasing process
- B. Cost of the application software upgrades
- C. Management of variable lead times
- D. Resistance of material suppliers



**Answer:** A

**NEW QUESTION 109**

- (Topic 2)

Which of the following measures effectively evaluates overall resources in a distribution warehouse?

- A. Throughput
- B. Cube utilization
- C. Filled pallet positions
- D. Labor efficiency

**Answer:** A

**NEW QUESTION 113**

- (Topic 2)

The most important challenge to consider when sourcing globally is:

- A. the identification of sources capable of producing the materials.
- B. the availability of low-cost labor and energy.
- C. complying with specific import/export issues.
- D. balancing the difference between piece price and total cost.

**Answer:** D

**NEW QUESTION 118**

- (Topic 2)

Benchmarking a firm's performance against industry competitors is most valuable because it can reveal:

- A. a competitor's manufacturing processes.
- B. a firm's leadership ranking relative to industry peers.
- C. which processes require improvement.
- D. that no further improvement is possible.

**Answer:** C

**NEW QUESTION 122**

- (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 123**

- (Topic 2)

Direct shipment distribution typically offers which of the following advantages?

- A. Risk pooling is facilitated.
- B. Demand variability is reduced.
- C. Service levels are increased.
- D. Lead times are reduced.

**Answer:** D

**NEW QUESTION 126**

- (Topic 2)

Which of the following ISO standards is used to assist organizations with sustainable development?

- A. ISO 31000
- B. ISO 14001
- C. ISO 26000
- D. ISO 9001

**Answer:** C

**NEW QUESTION 130**

- (Topic 2)

An effective procurement strategy for commodity products should focus on:

- A. driving down cost and reducing risk.
- B. spreading purchases equally across suppliers.
- C. selecting primary and alternate sources.

D. selecting suppliers with value-added products.

**Answer:** A

#### NEW QUESTION 134

- (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 138

- (Topic 2)

Which of the following factors typically is most important in successfully implementing sales and operations planning (S&OP)?

- A. Involvement of specialists from all functional groups within an organization
- B. Creation of a dedicated S&OP organizational unit
- C. Involvement and accountability at senior management level
- D. Focus on 3 months to 18 months in the future

**Answer:** C

#### NEW QUESTION 139

- (Topic 2)

The best way to manage a business relationship is to measure performance to:

- A. cost of ownership metrics.
- B. quality targets.
- C. on-time delivery.
- D. agreed-upon metrics.

**Answer:** D

#### NEW QUESTION 141

- (Topic 2)

A company that is focused on customer relationship management is most likely to take which of the following actions for customers who have been profitable over time?

- A. Reduce the cost of serving them.
- B. Target them for higher margin services.
- C. Target them for greater attention.
- D. Charge them for administrative services used.

**Answer:** C

#### NEW QUESTION 143

- (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 148

- (Topic 2)

A manufacturer offers a trade-in allowance on a new machine when the customer returns the old machine. The manufacturer reconditions the returned machine locally and then sells it on the used market for a profit. This program is an example of a focus on:

- A. environmentally sensitive engineering.
- B. gray box design.
- C. green manufacturing.
- D. sustainability in operations.

**Answer:** D

#### NEW QUESTION 150

- (Topic 3)

Electronic data interchange reduces costs primarily through:

- A. standardization of trading document formats.
- B. adaptability across hardware platforms.
- C. simplified software development.
- D. replacement of proprietary systems.

**Answer:** A

#### NEW QUESTION 155

- (Topic 3)

Which of the following outcomes is an advantage of automating the request-for-quote process?

- A. Reducing cycle time
- B. Disposing of excess inventories
- C. Centralization of product service content
- D. Enabling contract management

**Answer:** A

#### NEW QUESTION 158

- (Topic 3)

Which of the following outcomes most likely is the primary reason for outsourcing production of a new product?

- A. Increase control of the supply chain
- B. Increase flexibility of the supply chain
- C. Reduce required capital investment
- D. Reduce the need for skilled workers

**Answer:** C

#### NEW QUESTION 161

- (Topic 3)

A company is having trouble with raw material deliveries and decides to develop a supplier certification program. The certification process most appropriately would start with which of the following suppliers?

- A. Suppliers of "A" classified items
- B. Suppliers recently ISO 9000-certified
- C. Suppliers with the worst performance records
- D. Competitors of suppliers with the worst performance records

**Answer:** A

#### NEW QUESTION 162

- (Topic 3)

Which of the following changes often leads to higher levels of inventory?

- A. Decrease in customer service level
- B. Decrease in vendor lead times
- C. Increase in economies of scale
- D. Increase in warehouse holding costs

**Answer:** C

#### NEW QUESTION 166

- (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 170

- (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 173

- (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 176

- (Topic 3)

Which of the following factors is the most important driver of supply chain change?

- A. Health and safety concerns
- B. Competitor actions
- C. Government regulations
- D. Customer perceptions of value

**Answer: D**

#### NEW QUESTION 181

- (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 185

- (Topic 3)

Supplier certification procedures verify that a supplier:

- A. is ISO certified.
- B. implements, documents, and improves procedures related to customer requirements.
- C. tracks manufacturing processes, including bills of material and routings to support the processes.
- D. manufactures products to the specifications shown on engineering documents and bills of material.

**Answer: B**

#### NEW QUESTION 186

- (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 191

- (Topic 3)

Which of the following factors should be considered when establishing an inventory policy?

- A. Customer demand
- B. Selling price history
- C. Historical service levels
- D. Number of customers

**Answer: A**

#### NEW QUESTION 192

- (Topic 3)

Market segmentation is important within the logistics function because it:

- A. leads to profitable exchanges with the customer and creates intrinsic customer value
- B. supports transactional marketing priorities for successful commodity exchanges to customers globally
- C. enables companies to position their products throughout the distributor network based on customer need
- D. creates perception in the mind of the customer as available products and services are exchanged

**Answer:**

C

#### NEW QUESTION 194

- (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 197

- (Topic 3)

A firm decides to reduce the number of distribution centers it uses. Which of the following outcomes is the most likely result of this change?

- A. Order-fill rate will increase.
- B. Total safety stock will increase.
- C. Delivery lead time will decrease.
- D. Outbound transportation cost will decrease.

**Answer:** A

#### NEW QUESTION 201

- (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 203

- (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 207

- (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 208

- (Topic 3)

Which of the following characteristics is typical of a highly complex product when compared with a simple commodity product?

- A. Lower product cost
- B. Longer cycle time
- C. Increased ability to change
- D. Lower profitability

**Answer:** B

#### NEW QUESTION 210

- (Topic 3)

Which of the following types of lead times is related most closely to a supplier performance measure?

- A. Fulfillment

- B. Replenishment
- C. Overall
- D. Process

**Answer:** B

#### NEW QUESTION 215

- (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 219

- (Topic 3)

A company has outsourced a high volume of assembly work to top-tier suppliers, thereby reducing the overall number of suppliers they directly manage. Which of the following actions must the company perform to mitigate risk?

- A. Monitor lead times at sub-tier suppliers
- B. Maintain direct relationships with sub-tier suppliers
- C. Execute all terms of contracts at sub-tier suppliers
- D. Purchase all critical components for assembly at the company

**Answer:** B

#### NEW QUESTION 222

- (Topic 3)

How does a mass customization product design strategy relate to component commonality, modular design, and product universality?

- A. Modular design is necessary for mass customization.
- B. Component commonality does not support mass customization.
- C. Universality is a prerequisite for mass customization strategy.
- D. Both universality and modular design are required for mass customization.

**Answer:** A

#### NEW QUESTION 223

- (Topic 3)

Which of the following objectives is the primary driver in the design and implementation of lean process management?

- A. Reducing the level of inventory
- B. Decreasing the cash-to-cash cycle
- C. Integrating processes between departments
- D. Satisfying customer requirements

**Answer:** D

#### NEW QUESTION 228

- (Topic 3)

A company is aggressively pursuing improvements in the financial performance of its supply chain. The company should first focus its efforts on which of the following metrics?

- A. Process takt time
- B. Cycle count accuracy
- C. Number of inventory turns
- D. Number of first-tier suppliers

**Answer:** C

#### NEW QUESTION 233

- (Topic 3)

Which of the following types of supply chains is characterized by difficulty in responding to rapidly changing demand patterns?

- A. Push-based
- B. Pull-based
- C. Innovative
- D. Collaborative

**Answer:** A

#### NEW QUESTION 236

- (Topic 3)

A company has recently implemented a vendor-managed inventory (VMI) program with several key suppliers but quality issues are disrupting production. Which of the following actions would be more effective in dealing with these issues?

- A. Tighten the quality tolerances
- B. Implement a supplier certification program
- C. Implement quality inspection at the receiving dock
- D. Charge back to the supplier the rework and scrap costs

**Answer:** B

#### NEW QUESTION 238

- (Topic 3)

A large retailer has negotiated buyback contracts with several suppliers. The suppliers typically will need which of the following systems to effectively implement the contracts?

- A. Point-of-sale tracking
- B. Well-developed reverse logistics
- C. Monitoring the retailer's revenue
- D. Sales incentives to reward the retailer

**Answer:** B

#### NEW QUESTION 239

- (Topic 3)

A master production schedule serves a company best by functioning as a:

- A. dispatch list.
- B. forecast system buffer.
- C. priority planning tool.
- D. supplier scheduling system.

**Answer:** C

#### NEW QUESTION 244

- (Topic 3)

Which of the following types of raw materials would be most appropriate to source via an Internet-based trading exchange?

- A. Expensive material that is critical to the finished good
- B. Expensive material for which there are several substitutes
- C. Inexpensive material that is critical to the finished good
- D. Inexpensive material for which there are many sources

**Answer:** :D

#### NEW QUESTION 249

- (Topic 3)

The lowest-cost supply network design requires balancing inventory costs and which of the following types of costs?

- A. Administrative
- B. Manufacturing
- C. Transportation
- D. Sales and marketing

**Answer:** :C

#### NEW QUESTION 250

- (Topic 3)

Which of the following tools is most appropriate to use to determine projects that will achieve the greatest net benefits?

- A. Pareto diagram
- B. Fishbone diagram
- C. Process flow diagram
- D. Operation process chart

**Answer:** A

#### NEW QUESTION 253

- (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 254

- (Topic 3)

A company that desires to implement a strategy for inventory management must define which of the following factors?

- A. Reliability and maintainability requirements
- B. Variability in the customer demand
- C. Overall item effectiveness
- D. Inventory carrying costs

**Answer:** B

#### NEW QUESTION 258

- (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 259

- (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 261

- (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 262

- (Topic 3)

A pattern of increased shipments from manufacturing plants to a central warehouse at month-end and quarter-end typically would cause which of the following situations in a central warehouse?

- A. Fluctuation in required labor resources
- B. Decreased use of storage capacity
- C. Decreased transportation costs
- D. Increased outbound shipments

**Answer:** :A

#### NEW QUESTION 264

- (Topic 3)

One of the first steps in devising an effective supply chain strategy within a company is to analyze a product's:

- A. nature of demand.
- B. backlog position.
- C. forecast bias.
- D. sales performance.

**Answer:** A

#### NEW QUESTION 268

- (Topic 3)

Which of the following activities is forbidden in a foreign trade zone?

- A. Remarketing or repackaging imports to avoid fines
- B. Breaking up large shipments to reduce import duties
- C. Reexporting goods without paying duties
- D. Conducting retail trade

**Answer:** D

**NEW QUESTION 272**

- (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 273**

- (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 277**

- (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 278**

- (Topic 3)

The production scheduler for a bottleneck resource should:

- A. schedule additional preventive maintenance for the resource.
- B. ensure a constant queue of work waiting to be processed.
- C. increase production lot sizes to increase utilization of resources.
- D. implement pull signals for production of the bottleneck resource.

**Answer:** B

**NEW QUESTION 281**

- (Topic 3)

A primary reason for enhancing supply chain security is to:

- A. meet government requirements.
- B. reduce insurance costs.
- C. improve lead time.
- D. protect brand image.

**Answer:** D

**NEW QUESTION 284**

- (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 286**

- (Topic 3)

A company discovers that several high-volume customers have very erratic ordering patterns. Which of the following actions is most likely to reduce variability?

- A. Checking the demand status multiple times daily
- B. Establishing Internet-enabled collaborative relationships

- C. Implementing electronic data interchange transactions
- D. Increasing safety-stock levels for items these customers order

**Answer:** B

#### NEW QUESTION 287

- (Topic 3)

Which of the following types of strategies minimizes inventory throughout the supply chain to avoid obsolescence?

- A. Delayed differentiation
- B. Low costs
- C. Location
- D. Response

**Answer:** A

#### NEW QUESTION 289

- (Topic 3)

A company uses cash-to-cash cycle time to assess how long it takes from:

- A. receiving inventory from the supplier to paying the invoice from the supplier.
- B. receiving inventory from the supplier to invoicing the customer.
- C. paying the supplier for inventory received to receiving payment from the customer.
- D. invoicing a customer to receiving payment from the customer.

**Answer:** C

#### NEW QUESTION 291

- (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 294

- (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 299

- (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 300

- (Topic 3)

When multiple warehouses are combined into one centralized warehouse, the requirement for safety stock is reduced because:

- A. there is less in-transit inventory.
- B. the total variability of demand is reduced.
- C. average cycle stock is reduced.
- D. safety stock becomes available-to-promise.

**Answer:** B

#### NEW QUESTION 305

- (Topic 3)

Which of the following statements is true when a contract manufacturing agreement is implemented?

- A. There is no longer a need for material requirements planning.
- B. The total cost of acquiring products will decrease.
- C. Communications and project management are key factors for success.
- D. Assets on the contract manufacturer's balance sheet typically will decrease.

**Answer:** C

#### NEW QUESTION 309

- (Topic 3)

A manufacturer with operations in an area prone to natural disasters is reviewing its sustainability strategy. Which of the following production strategies should the company implement to reduce the risk of supply interruptions?

- A. Centralized
- B. Decentralized
- C. Make-to-order
- D. Engineer-to-order

**Answer:** B

#### NEW QUESTION 313

- (Topic 3)

Managing risk should be a strategic part of supply chain management because:

- A. the occurrence of unanticipated risks essentially can be eliminated.
- B. not all members of the supply chain consider and respond to the same types of risks.
- C. substantial financial penalties can be assessed if legal requirements are not met.
- D. it helps to reduce the occurrence and consequences of unplanned negative events.

**Answer:** :D

#### NEW QUESTION 316

- (Topic 3)

One operation in a four-stage process has been producing more than required and is causing elevated levels of work in process. Which of the following approaches would be most appropriate to address the situation?

- A. Kano
- B. Kanban
- C. Kaizen
- D. Keiretsu

**Answer:** B

#### NEW QUESTION 317

- (Topic 3)

If a firm has 35 days of accounts payable outstanding and 55 days invested in inventory, and its cash-to-cash cycle time is 90 days, what is the number of days of accounts receivable?

- A. 70
- B. 90
- C. 110
- D. 180

**Answer:** A

#### NEW QUESTION 322

- (Topic 3)

A project team has received 30 improvement ideas from subject matter experts in the business. Which of the following continuous improvement tools would be most appropriate to use to sequence implementation timing based on an agreed-upon weighted criteria?

- A. Affinity diagram
- B. Matrix diagram
- C. Prioritization matrix
- D. Interrelationship digraph

**Answer:** C

#### NEW QUESTION 324

- (Topic 3)

Which of the following characteristics typically is a feature of supplier relationship management?

- A. Supplier employees are located at the firm's facilities.
- B. Inventory is verified before the supplier ships the goods.
- C. Performance of both firms is measured and reported regularly.
- D. The supplier is the sole source for the goods.

**Answer:** C

#### NEW QUESTION 326

- (Topic 3)

The implementation of major enterprise-wide changes to eliminate or significantly reduce waste is related to which of the following concepts?

- A. Kaizen
- B. Kanban
- C. Six Sigma
- D. Lean

**Answer:** D

#### NEW QUESTION 328

- (Topic 3)

The most appropriate approach to balance supply and demand over the medium term is:

- A. Enterprise resource planning (ERP)
- B. Business planning
- C. Strategic planning
- D. Sales and operations planning (S&OP)

**Answer:** D

#### NEW QUESTION 332

- (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 333

- (Topic 3)

Use of a private warehouse is most appropriate when a firm needs to:

- A. adjust warehouse capacity easily for seasonal products.
- B. perform a limited number of specialized activities for customers.
- C. control operating policies and hours to respond to changes in market demand.
- D. take advantage of economies of scale and scope to increase profitability.

**Answer:** C

#### NEW QUESTION 337

- (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 340

- (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 343

- (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 344

- (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 348

- (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 350

- (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 355

- (Topic 3)

Which two of the following tools should be used with an enterprise resources planning system to build realistic supply chain models and to plan the most profitable flow of goods across the chain?

- A. An advanced planning and scheduling system and simulators
- B. An inventory planning and management system and simulators
- C. A vendor managed inventory system and customer relationship management
- D. Customer activity planning and logistics management

**Answer: A**

#### NEW QUESTION 357

- (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 360

- (Topic 3)

Which of the following measures typically would be considered an aspect of the environmental impact of a supply chain?

- A. Amount of funds invested in infrastructure improvements
- B. Hours of employee education about environmental stewardship
- C. Weight and volume of packaging materials used
- D. Total number of people making a living wage

**Answer: C**

#### NEW QUESTION 362

- (Topic 3)

A company that locates manufacturing facilities in different countries so that an economic downturn in one country most likely will be offset by business in another country is employing what type of strategy?

- A. Speculative
- B. Hedge

- C. Flexible
- D. Forecast

**Answer:** B

#### NEW QUESTION 364

- (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 365

- (Topic 3)

Which of the following fill rates is the most rigorous measure of a firm's availability performance?

- A. Line
- B. Item
- C. Order
- D. Value

**Answer:** C

#### NEW QUESTION 370

- (Topic 3)

Continuous process improvement is characterized by which two of the following key steps?

- A. Quality circles and benchmarking
- B. Process review and supplier audits
- C. Analysis and assessment
- D. Observation and selection

**Answer:** C

#### NEW QUESTION 373

- (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 378

- (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 383

- (Topic 3)

Turning the request-for-quotes process into a real-time auction setting most likely will:

- A. improve product quality.
- B. increase process costs.
- C. reduce cycle time.
- D. reduce bid cost.

**Answer:** C

#### NEW QUESTION 384

- (Topic 3)

Value stream mapping provides the most benefit when:



- A. analyzing customer requirements.
- B. identifying nonvalue-added activities.
- C. planning kaizen events.
- D. implementing an information technology strategy.

**Answer:** B

**NEW QUESTION 387**

- (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 388**

- (Topic 3)

Which of the following circumstances best describes a roadblock to implementing customer relationship management and supplier relationship management?

- A. Concern about conflicts of interest with partners in the supply chain
- B. Lack of defined industry standards
- C. Deterioration of customer service levels
- D. Increased access to information for supply chain partners

**Answer:** A

**NEW QUESTION 391**

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