



APICS

Exam Questions CSCP

Certified Supply Chain Professional

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)

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)

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)

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 5

- (Topic 1)

Which of the following attributes typically makes reverse logistics processes more complicated than outbound logistics processes?

- A. Lead times for shipments are more variable.
- B. Individual packages and cartons are less uniform.
- C. There are more regulations mandated by local governments.
- D. There is more competition for scarce transportation lanes.

Answer: B

NEW QUESTION 6

- (Topic 1)

Which of the following outcomes is a benefit typically expected of customer relationship management (CRM)?

- A. Reducing the size of the sales force by automating activities
- B. Gaining a better understanding of customer requirements
- C. Implementing automated inter-organizational processes
- D. Focusing sales efforts on the most profitable customers

Answer: B

NEW QUESTION 7

- (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 8

- (Topic 1)

Which of the following results can be expected from sharing a common understanding of demand and consumption patterns among supply chain participants?

- A. Improved transparency of collaboration relationships
- B. Increased performance in balanced scorecard
- C. Reduced inventory levels for key items
- D. Better synchronization of planning and operations

Answer: D

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)

An advantage of using a third-party logistics service (3PL) is improved:

- A. on-time delivery of shipments due to higher inventory levels.
- B. cost structure due to economies of scale.
- C. access to smaller markets due to localization.
- D. risk visibility due to inventory consolidation.

Answer: B

NEW QUESTION 10

- (Topic 1)

A firm wants to lose customers that don't value the unique products and services the firm offers and to attract and retain customers that want what the firm offers. Engaging in this activity should allow the firm to:

- A. create a more loyal customer base.
- B. improve customer satisfaction rates.
- C. increase market share.
- D. target higher-profit customers.

Answer: A

NEW QUESTION 12

- (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 15

- (Topic 1)

Which of the following actions typically would be the first step in implementing the philosophy of customer relationship management?

- A. Creating a customer-centric organization
- B. Developing a map of the customer segments
- C. Documenting the objectives for implementation
- D. Selecting an information technology solution

Answer: A

NEW QUESTION 16

- (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 20

- (Topic 1)

The primary objective of supply chain management is:

- A. minimizing transportation costs.
- B. reducing inventory levels.
- C. taking a systems approach.
- D. implementing advanced technologies.

Answer: C

NEW QUESTION 25

- (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 28

- (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 33

- (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 37

- (Topic 1)

Which of the following factors typically is the most significant impediment to implementing collaborative commerce?

- A. Technology barriers
- B. Security
- C. Corporate culture
- D. Return on investment (ROI)

Answer: :C

NEW QUESTION 41

- (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 45

- (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 46

- (Topic 1)

The probability of customer dissatisfaction is highest when which of the following conditions exists?

- A. Customer expectations are clearly defined.
- B. Supplier execution is too low.
- C. There is a gap between expected performance and perceived performance.
- D. There is a gap between what was indicated and what was accomplished.

Answer: C

NEW QUESTION 51

- (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 55

- (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 58

- (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 63

- (Topic 1)

Medium-term demand management projections are used primarily to:

- A. complete strategic business planning of facilities.
- B. complete forecasts at the item level.
- C. aggregate demand for production planning.
- D. develop the master production schedule.

Answer: C

NEW QUESTION 68

- (Topic 1)

A manufacturer uses standard costing, and a potential supplier uses activity-based costing. This difference most likely will have implications for which of the following types of future decisions?

- A. Price concessions
- B. Make-or-buy
- C. Distribution warehouse locations
- D. Freight terms

Answer: B

NEW QUESTION 71

- (Topic 1)

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

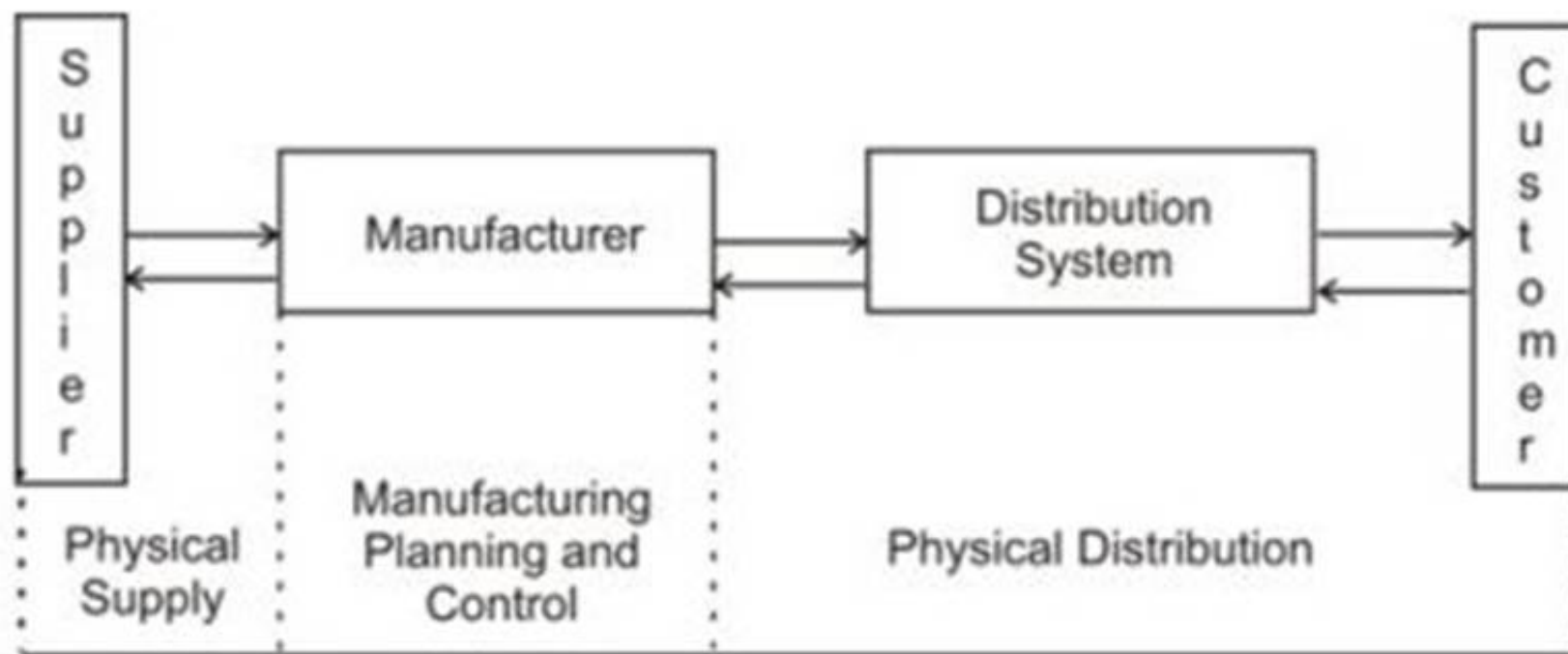
- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

Answer: A

NEW QUESTION 74

- (Topic 1)

The question below is based on the following flowchart:



Which of the following phrases most accurately describes the complete flow of demand information?

- A. From supplier to customer
- B. From customer to manufacturer
- C. From customer to supplier
- D. From supplier to manufacturer

Answer: C

NEW QUESTION 76

- (Topic 1)

What is the primary role of marketing in supporting supply chain management?

- A. Selecting favored supplier partners
- B. Developing efficient customer channels
- C. Focusing on short-term forecasting accuracy
- D. Working with research and development on slow-moving products

Answer: B

NEW QUESTION 78

- (Topic 1)

Which of the following customer relationship management activities most appropriately is used for revenue generation?

- A. Generating customer leads
- B. Generating graphic sales models
- C. Measuring customer preferences
- D. Identifying customer margins

Answer: A

NEW QUESTION 79

- (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 82

- (Topic 1)

When designing a supply chain for strategic advantage, a company first should consider:

- A. the impact on customers using Just-in-Time manufacturing.
- B. the financial stability of suppliers.
- C. matching the supply chain to product type.
- D. whether to use custom or standard parts.

Answer: C

NEW QUESTION 85

- (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 87

- (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 91

- (Topic 1)

Which of the following levels in a supply chain network represents the most upstream external activity?

- A. Supplier to contractor
- B. Manufacturing to supplier
- C. Customer to distribution
- D. Customer to contractor

Answer: A

NEW QUESTION 96

- (Topic 1)

Compared to mass-media marketing, customer relationship management has the advantage of allowing the organization to:

- A. compete for customers based on service.
- B. reach a larger number of potential customers.
- C. reduce inventory to improve cash flow.
- D. focus on attracting new customers.

Answer: A

NEW QUESTION 100

- (Topic 1)

A firm supplies a single line of products to consumers using retail stores and on-line sales, distributors, and wholesalers. Currently the firm has common pricing and response times for sales in each sales channel. Which of the following tools is most appropriate to employ to improve profitability?

- A. Customer segmentation
- B. Customer-facing ordering systems
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

Answer: A

NEW QUESTION 102

- (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 105

- (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 107

- (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 112

- (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 117

- (Topic 2)

A company produces and distributes a family of soft drinks in a single country. It has developed and will introduce a new family of soft drinks for weight- and health-conscious individuals. There currently are no competitors with nationwide distribution for this category of soft drinks. Which of the following supply chain strategies would be most appropriate for the two product families?

- A. Produce both product families to forecast and push through the distribution system.
- B. Produce both product families only after receipt of a distributor order.
- C. Produce the current product family to forecast and the new product family to order.
- D. Produce the current product family to order and the new product family to forecast.

Answer: C

NEW QUESTION 119

- (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 120

- (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 125

- (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 126

- (Topic 2)

Allowing for organizational restructuring is an example of which of the following steps in creating successful strategic alliances among suppliers?

- A. Managing multifaceted relationships
- B. Negotiating a win-win deal
- C. Planning for change
- D. Conducting pulse checks

Answer: C

NEW QUESTION 128

- (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 132

- (Topic 2)

The United Nations Global Compact uses 10 guiding principles to:

- A. reduce uncertainty for multinational firms regarding legal, import/export, labor, and environmental standards across countries.
- B. set minimum levels of compliance across a broad range of transactional areas for businesses operating in multiple geographic regions.
- C. align the needs of businesses to increase profitability and the needs of individual countries to ensure their specific legal requirements are met.
- D. help ensure that markets, commerce, technology, and finance promote advancement of economies and societies everywhere.

Answer: D

NEW QUESTION 137

- (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 139

- (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 143

- (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 147

- (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 149

- (Topic 2)

It is most appropriate to measure spending per customer as a proportion of profitability during which of the following phases of a supplier/customer relationship?

- A. Customer acquisition
- B. Customer retention
- C. Customer dependency
- D. Strategic customer care

Answer: B

NEW QUESTION 150

- (Topic 2)

A product design that can be produced to requirements even when conditions in the production process are unfavorable typically is known as what type of design?

- A. Universal
- B. Computer-aided
- C. Modular
- D. Robust

Answer: D

NEW QUESTION 155

- (Topic 2)

The customer who provides point-of-sale data remains the sole decision-maker regarding order quantities when what type of inventory strategy is used?

- A. Continuous replenishment
- B. Advanced continuous replenishment
- C. Vendor-managed replenishment
- D. Quick response

Answer: D

NEW QUESTION 158

- (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 160

- (Topic 2)

A company most likely would consider moving a portion of its manufacturing to a second location to:

- A. improve competitive advantage through cost control.
- B. avoid manufacturing downtime due to material shortages.
- C. maximize security for customer shipments.
- D. minimize the impact of natural disasters.

Answer: D

NEW QUESTION 165

- (Topic 2)

A firm has discovered a product quality issue. What should be the first step in responding to this issue?

- A. Determine the root cause of the quality issue.
- B. Separate the non-conforming products.
- C. Trace the location of the faulty product in the supply chain.
- D. Replace faulty products when they are returned by the end user.

Answer: C

NEW QUESTION 168

- (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 169

- (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 170

- (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 173

- (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 174

- (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 177

- (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 181

- (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 185

- (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 186

- (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 189

- (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 192

- (Topic 2)

A business is changing from a business to business model to a business to consumer model. Which of the following statements about this supply chain change is true?

- A. Returns from customers will decrease.
- B. Number of supplier orders will increase.
- C. Number of customer orders will increase.
- D. Average supplier order size will increase.

Answer: C

NEW QUESTION 196

- (Topic 2)

A manufacturer is the leader of a group of trading partners that are collaborating to improve customer service levels and profitability. Which of the following methodologies would be most appropriate for synchronizing supply and demand across the supply chain?

- A. Sales and operations planning
- B. Distribution requirements planning
- C. Supply Chain Operations Reference-model
- D. Supply chain event management

Answer: A

NEW QUESTION 198

- (Topic 2)

Which of the following outcomes occurs when direct shipping is used instead of a distribution network?

- A. Outbound transportation cost is reduced.
- B. Inventory velocity is reduced.
- C. Order-fill rates are reduced.
- D. Inventory obsolescence is reduced.

Answer: D

NEW QUESTION 202

- (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 205

- (Topic 3)

Which of the following actions best exemplifies an appropriate demand management strategy?

- A. Reducing costs in the procurement of goods
- B. Prioritizing demand when supply is constrained
- C. Maximizing sales orders from customers
- D. Updating the sales and operations planning (S&OP) to changes in production capacity

Answer: B

NEW QUESTION 209

- (Topic 3)

The most significant reason for altering supply chain management practices in an organization would be a change in its:

- A. executive management.
- B. corporate strategy.
- C. profitability of operations.
- D. financial position.

Answer: B

NEW QUESTION 214

- (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 216

- (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 218

- (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 219

- (Topic 3)

The benefit most likely to result from a collaborative forecasting process is:

- A. improvement in forecast accuracy.
- B. improvement in forecast responsiveness.
- C. reduction of the coefficient of variation.
- D. reduction of forecasting effort.

Answer: A

NEW QUESTION 220

- (Topic 3)

Qualitative forecasting methods are most appropriate for projecting demand for:

- A. commodity products.
- B. families of products.
- C. breakthrough products.
- D. raw materials.

Answer: C

NEW QUESTION 223

- (Topic 3)

Measurement of service to the customer should consider which of the following strategic priorities?

- A. Cash flow
- B. Responsiveness
- C. Order cycle time
- D. Forecast accuracy

Answer: B

NEW QUESTION 225

- (Topic 3)

A company understates current revenue forecasts and delays the delivery of orders to meet the forecast. The most likely result of this practice is that shipments will peak:

- A. at the beginning of reporting periods.
- B. randomly throughout reporting periods.
- C. at both the beginning and end of reporting periods.
- D. at the end of reporting periods.

Answer: A

NEW QUESTION 230

- (Topic 3)

A firm has determined its cash-to-cash cycle time to be 60 days. The number of days' payables outstanding is 25, and number of days' sales outstanding is 35. If the firm reduces its inventory by 20%, the new cash-to-cash cycle time, in days, will be approximately:

- A. 48.
- B. 50.
- C. 60.
- D. 88.

Answer: B

NEW QUESTION 235

- (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 239

- (Topic 3)

Which of the following constraints is most important to consider when adapting a vertical integration strategy?

- A. Location of suppliers
- B. Location of customers
- C. Capital requirements
- D. Size of existing manufacturing plant

Answer: C

NEW QUESTION 241

- (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 246

- (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 247

- (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 249

- (Topic 3)

Which of the following export documents is used as the basis for the valuation of goods for insurance purposes and for assessment of duties?

- A. Export license
- B. Export declaration
- C. Bill of lading
- D. Commercial invoice

Answer: D

NEW QUESTION 253

- (Topic 3)

Use of consistent performance measures among trading partners is a best practice to:

- A. share data among information systems faster.
- B. manage collaboration and continuous improvement.
- C. reduce the time to introduce new products.
- D. increase the flexibility to collaborate with customers.

Answer: B

NEW QUESTION 258

- (Topic 3)

Which of the following performance indicators can be used to measure the effectiveness of a vendor-managed inventory program?

- A. Number of inventory receipts
- B. Inventory usage
- C. Inventory returns
- D. In-stock rate

Answer: D

NEW QUESTION 261

- (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 265

- (Topic 3)

When establishing third-party and fourth-party logistics relationships, a firm should avoid providers who:

- A. use a proprietary information system.
- B. constantly update their information technology and equipment.
- C. provide extensive reporting on each customer interaction.

D. meet customer requirements through regional warehousing.

Answer: A

NEW QUESTION 269

- (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 271

- (Topic 3)

When trying to decide whether to outsource its customer relationship management function, a company primarily should consider which of the following factors?

- A. Location of the service provider
- B. Internal controls of the company
- C. Compatibility of computer hardware
- D. Transaction costs

Answer: B

Explanation:

A grocery store found that ground beef sales increased when buns were a featured sales item. This customer relationship management technique is called:

- A. data mining.
- B. data tracking.
- C. contact management.
- A. D. order entry. Answer: A

NEW QUESTION 273

- (Topic 3)

Prioritizing customer needs is best accomplished by:

- A. sharing information with key customers.
- B. installing a new enterprise resources planning system.
- C. responding to customer requests in the order they are received.
- D. establishing policies and procedures for honoring customer requests.

Answer: D

NEW QUESTION 276

- (Topic 3)

The primary benefit a company is likely to achieve when setting time fences is:

- A. reducing lead time.
- B. providing a steady schedule for suppliers.
- C. interpreting forecast properly.
- D. maintaining a stable flow.

Answer: :D

NEW QUESTION 279

- (Topic 3)

The purchasing manager of a company wants to minimize stock-outs as well as obsolete inventory. Which of the following tools needs to be implemented?

- A. Blanket purchase order
- B. Advanced planning and scheduling (APS)
- C. Buy-back contracts
- D. Business-to-business integration software

Answer: C

NEW QUESTION 284

- (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 286

- (Topic 3)

A company handling sale of product discarded by consumers is what type of provider?

- A. Third party logistics (3PL)
- B. Reverse logistics
- C. Fourth party logistics (4PL)
- D. Warehousing

Answer: B

NEW QUESTION 291

- (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 296

- (Topic 3)

Which of the following activities is an important phase of product life-cycle management?

- A. Developing supplier relationships
- B. Implementing performance measurements
- C. Designing supply chain logistics
- D. Incorporating key design elements

Answer: D

NEW QUESTION 301

- (Topic 3)

A distribution requirements planning system is implemented primarily to monitor or manage:

- A. supplier capacity.
- B. customer demand.
- C. inventory replenishment.
- D. demand variation.

Answer: C

NEW QUESTION 306

- (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 310

- (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 315

- (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 317

- (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 319

- (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 322

- (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 324

- (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 328

- (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 333

- (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 337

- (Topic 3)

A company recently implemented a new supplier rating system. Data was collected from the enterprise resources planning system about each vendor's rating for cost, quality, and delivery over 12 months. A cutoff point was established for poor performers. The responsible purchasing agent then scheduled meetings with each supplier. Which of the following actions is most appropriate to take with suppliers whose ratings were below the cutoff point?

- A. Discuss ways to raise the ratings for the next review period.
- B. Tell the suppliers they are on probation for 3 months.
- C. Immediately cancel outstanding contracts with those suppliers.
- D. Ask the suppliers to explain the poor performance.

Answer: A

NEW QUESTION 340

- (Topic 3)

In an assemble-to-order manufacturing environment, the master production schedule is typically the schedule of:

- A. resources.
- B. customer orders.
- C. components and subassemblies.
- D. the final assembly.

Answer: C

NEW QUESTION 342

- (Topic 3)

Effective sales and operation planning (S&OP) is most likely to result in which of the following benefits?

- A. Better customer service
- B. Better product quality
- C. Lower product cost
- D. Lower work-in-process (WIP) inventory

Answer: A

NEW QUESTION 346

- (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 351

- (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 352

- (Topic 3)

A procurement manager wants to reduce costs on commodity items. Which of the following actions is likely to result in the greatest savings?

- A. Conducting a supplier review and recertification
- B. Renegotiating contracts with commodity suppliers
- C. Standardizing and eliminating redundant items
- D. Leveraging group purchasing power

Answer: D

NEW QUESTION 353

- (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 354

- (Topic 3)

In determining warehouse velocity, the average inventory level is calculated by dividing the annual sales through the warehouse by the:

- A. total square footage of the warehouse.
- B. inventory turnover rates for the warehouse.
- C. annual weight through the warehouse.
- D. annual cube through the warehouse.

Answer: B

NEW QUESTION 356

- (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 358

- (Topic 3)

Variation in upstream requirements can be reduced by increasing:

- A. demand visibility.
- B. production capacity.
- C. product features.
- D. safety stock.

Answer: A

NEW QUESTION 362

- (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 365

- (Topic 3)

Use of a centralized distribution center rather than a decentralized distribution network typically results in which of the following consequences?

- A. Distribution system overhead is higher.
- B. Customer delivery time is shorter.
- C. Total transportation costs are lower.
- D. Safety stock levels are lower.

Answer: D

NEW QUESTION 366

- (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 370

- (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 372

- (Topic 3)

ABC Corporation is implementing a website that connects clothing distributors and retailers with many different garment manufacturers from whom they can buy finished goods. This website would be an example of:

- A. virtual auction site.
- B. intranet commerce.
- C. a vertical exchange.
- D. an Internet storefront.

Answer: C

NEW QUESTION 373

- (Topic 3)

A manufacturer's inventory levels are growing and service levels are dropping. Which of the following supply chain strategies is most appropriate to reduce inventory and improve service?

- A. Increase the safety stock on all items.
- B. Reduce the setup time.
- C. Optimize the total cost.
- D. Implement batch operations.

Answer: B

NEW QUESTION 375

- (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 379

- (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 384

- (Topic 3)

An operations manager wants to measure variability in the delivery time of insurance policies to clients. Which of the following quality tools most appropriately would show the level of variability?

- A. Pareto chart
- B. Histogram
- C. Scatterplot
- D. Check sheet

Answer: B

NEW QUESTION 388

- (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 389

- (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 391

- (Topic 3)

A company produces to stock and sells its products to distributors. The factor that most likely will contribute to the risk of loss in inventory investment is the:

- A. accuracy of demand forecasts.
- B. replenishment lead time.
- C. level of product quality.
- D. variability in supply.

Answer: A

NEW QUESTION 393

- (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 398

- (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 399

- (Topic 3)

Which of the following statements describes a continuous replenishment strategy in a retail environment?

- A. Retailers make replenishment decisions.
- B. Retailers prepare individual orders and share sales data with vendors to improve customer service.
- C. Vendors use sales data and prepare shipments to maintain the desired level of inventory.
- D. Vendors take full control of inventory policy.

Answer: C

NEW QUESTION 402

- (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 403

- (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 408

- (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 412

- (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 414

- (Topic 3)

Which of the following factors is most likely to slow the adoption of collaborative planning, forecasting, and replenishment (CPFR)?

- A. The reluctance to share detailed information
- B. The cost of electronic data interchange services
- C. The risk that changed processes will disrupt operations
- D. The risk of security breaches

Answer: A

NEW QUESTION 416

- (Topic 3)

Which of the following techniques allows users to automate the notification of appropriate parties when exceptions to specific business rules occur?

- A. Enterprise resources planning
- B. Supply chain event management
- C. Advanced planning and scheduling
- D. Automatic identification and data capture

Answer: B

NEW QUESTION 418

- (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 421

- (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 426

- (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 428

- (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 431

- (Topic 3)

Which of the following outcomes is most likely a result of allocating excess capacity to a supply chain facility?

- A. Lower utilization which leads to higher cost
- B. Higher utilization which leads to higher cost
- C. Higher utilization which leads to lower cost
- D. Lower utilization which leads to lower cost

Answer: A

NEW QUESTION 434

- (Topic 3)

Which of the following reverse logistics activities involves reusing refurbished products?

- A. Return management
- B. Disposal and reclamation
- C. Decomposing and recycling
- D. Remanufacturing and repair

Answer: D

NEW QUESTION 437

- (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 440

- (Topic 3)

Which of the following activities is critical to successful synchronization of supply and demand throughout a supply chain?

- A. Sharing demand information
- B. Placing large orders to obtain lower prices
- C. Reducing the number of deliveries
- D. Maintaining increased inventories

Answer: A

NEW QUESTION 443

- (Topic 3)

In order to optimize delivery routing and load planning as well as to provide advanced shipment notifications (ASN's), which of the following technology platforms should be implemented to plan and manage the above operations?

- A. Electronic Data Interchange (EDI)
- B. Enterprise Resource Planning (ERP)
- C. Event Management System (EMS)
- D. Transportation Management System (TMS)

Answer: D

NEW QUESTION 444

- (Topic 3)

A service company has decided to create a customer-focused business and has identified the following steps in the process:

{exhibit 3860}

Which of the following sequences of steps is correct for implementing the company's decision?

- A. 2, 1, 4, 3, 5
- B. 4, 2, 1, 5, 3
- C. 3, 5, 2, 4, 1
- D. 4, 2, 5, 1, 3

Answer: B

NEW QUESTION 447

- (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 450

- (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 454

- (Topic 3)

Which of the following metrics is the most appropriate measure of supply chain responsiveness?

- A. Order fulfillment lead times
- B. Percentage of orders delivered on time
- C. Retail inventory days of supply
- D. Upside production flexibility

Answer: D

NEW QUESTION 455

- (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 459

- (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 462

- (Topic 3)

An office furniture manufacturer observed that customers preferred to configure desks based on their available office space. To keep product costs to a minimum, yet satisfy customer needs, the company should choose which of the following design strategies?

- A. Modularity
- B. Component commonality
- C. Mass customization
- D. Standardization

Answer: A

NEW QUESTION 463

- (Topic 3)

What is the appropriate supply chain strategy for a product with low demand uncertainty and high economies of scale?

- A. Pull
- B. Push
- C. Push-pull
- D. Postponement

Answer: B

NEW QUESTION 466

- (Topic 3)

Which of the following strategies is most appropriate for managing unknown risks in a global supply chain?

- A. Vertical integration
- B. Technology integration with suppliers
- C. Investing in redundancy
- D. Strengthening supplier relationships

Answer: C

NEW QUESTION 467

- (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 470

- (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 472

- (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 477

- (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 481

- (Topic 3)

Which of the following benefits should a supplier expect to receive by becoming a certified supplier?

- A. Reduction in redundant processes with buyer
- B. Increase in price of items sold
- C. Increase in access to competitive information
- D. Reduction in number of items utilizing vendor-managed inventory

Answer: A

NEW QUESTION 486

- (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 489

- (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 491

- (Topic 3)

A company has adequate average available capacity but does not maintain surge capacity. With a distribution route to manage, which of the following actions will provide the most capacity relief?

- A. Increasing order-fulfillment lead times
- B. Implementing allocation
- C. Increasing prices with a 30-day effective date
- D. Increasing product queue times

Answer: A

NEW QUESTION 492

- (Topic 3)

A company is considering relocating production to a lower-wage country. Volatility in which of the following areas most likely would impact profitability without modifying product landed costs?

- A. Labor costs
- B. Currency exchange rates
- C. Commodity prices
- D. Product quality

Answer: BExplanation:NEWQUESTIONS

NEW QUESTION 497

- (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 499

- (Topic 3)

A consumer goods manufacturer has introduced a new frozen product and encountered problems applying package labels consistently. Which of the following methodologies would be most appropriate to use to identify the root cause of the problem?

- A. Six sigma
- B. Statistical process control
- C. Lean production
- D. Theory of constraints

Answer: A

NEW QUESTION 504

- (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 505

- (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 510

- (Topic 3)

E-business allows a firm to capitalize on the use of systems that:

- A. speed the receipt of e-mails between companies.
- B. permit real-time use of supply chain data.
- C. permit the use of batch-processed data.
- D. ensure security of proprietary data.

Answer: B

NEW QUESTION 512

- (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 515

- (Topic 3)

In the analysis of costs, fixed costs are those that are:

- A. independent of the volume of output.
- B. dependent on the utilization of the asset.
- C. inversely proportionate to the volume of output.
- D. constant through the useful life of the asset.

Answer: A

NEW QUESTION 520

- (Topic 3)

Which of the following actions typically is most important when building a collaborative supply chain?

- A. Investing sufficient capital
- B. Building mutual trust
- C. Integrating information systems
- D. Developing a common culture

Answer: B

NEW QUESTION 524

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