



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)

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

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

Answer: B

NEW QUESTION 3

- (Topic 1)

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

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

Answer: B

NEW QUESTION 4

- (Topic 1)

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)

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 6

- (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 7

- (Topic 1)

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

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

D. Emphasizing the quality of the product

Answer: B

NEW QUESTION 8

- (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 9

- (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 10

- (Topic 1)

A large wholesaler formerly owned a number of delivery trucks. The wholesaler sold all of its trucks and now purchases transportation services from fleet operators. This is an example of which of the following strategies?

- A. Selling and leasing back equipment.
- B. Renting equipment on consignment.
- C. Using a third-party logistics provider.
- D. Using an owner-operator fleet.

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 14

- (Topic 1)

A company has been delivering a global product that no longer appears profitable. Senior management's best response is to:

- A. analyze product profitability by market segment.
- B. discontinue the product based on eroding profitability.
- C. provide additional incentives to the sales force.
- D. increase promotional activity across all markets.

Answer: A

NEW QUESTION 15

- (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 18

- (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 19

- (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 24

- (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 26

- (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 29

- (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 34

- (Topic 1)

The primary reason for the evolution of the supply chain is:

- A. fewer rejects due to poor quality.
- B. increased on-time delivery.
- C. increased cost savings.
- D. increased communication.

Answer: D

NEW QUESTION 38

- (Topic 1)

Companies are more likely to consider the consequences of their product design decisions when they view the reverse supply chain as an extension of the:

- A. forward supply chain.
- B. marketing process.
- C. manufacturing process.
- D. sales and operations planning process.

Answer: A

NEW QUESTION 43

- (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 47

- (Topic 1)

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

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

Answer: C

NEW QUESTION 52

- (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 55

- (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 58

- (Topic 1)

Which of the following is the most important result when a company implements customer relationship management?

- A. Profits are maximized.
- B. Retention of key customers is increased.
- C. Product options are increased.
- D. Transaction costs are decreased.

Answer: B

NEW QUESTION 62

- (Topic 1)

Which of the following types of information would be an appropriate basis for a qualitative forecast?

- A. Leading indicators
- B. Market research data
- C. Order history
- D. Shipment history

Answer: B

NEW QUESTION 63

- (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 65

- (Topic 1)

Compared to a blanket purchase order, a supplier alliance agreement is best differentiated by:

- A. efficient material replenishment processes.
- B. clearly identified roles for the buyer and seller.
- C. a shared vision of added value.
- D. a sole-source agreement.

Answer: C

NEW QUESTION 67

- (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 70

- (Topic 1)

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

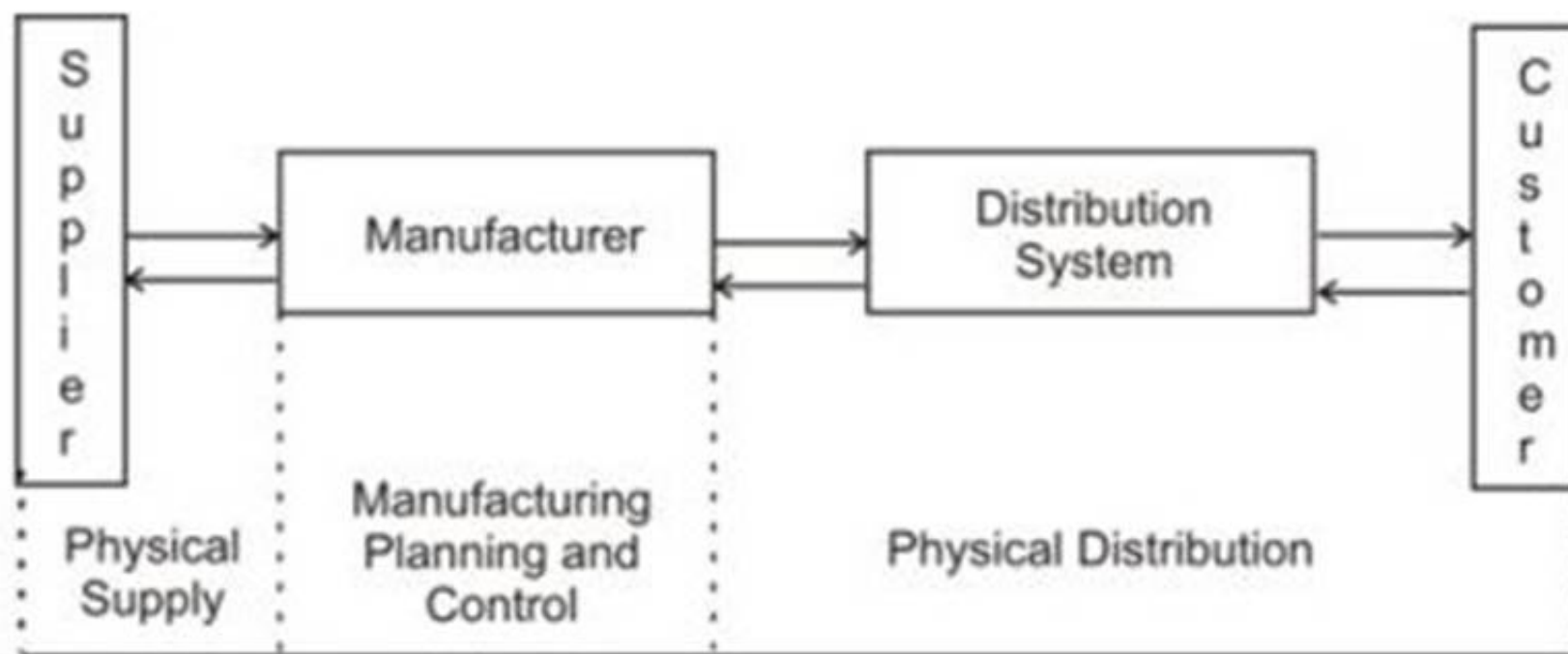
- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

Answer: A

NEW QUESTION 72

- (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 73

- (Topic 1)

A firm supplies products and services to a wide variety of industries with varying requirements for responsiveness and reliability. Many customers across these industries are not satisfied with the firm's ability to meet the lead time and on time delivery requirements. Which of the following tools is most appropriate for the firm to use to improve customer service?

- A. Customer service ratio metrics
- B. Market segmentation
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

Answer: B

NEW QUESTION 77

- (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 82

- (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 87

- (Topic 1)

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

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

Answer: B

NEW QUESTION 92

- (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 93

- (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 95

- (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 98

- (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 99

- (Topic 2)

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

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

Answer: A

NEW QUESTION 100

- (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 103

- (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 105

- (Topic 2)

What is the primary benefit of using modular rather than integral designs?

- A. Lower cost of manufacturing
- B. Increased product performance
- C. Greater responsiveness in marketing and production
- D. Reduced complexity of bills of material

Answer: C

NEW QUESTION 110

- (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 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 114

- (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 115

- (Topic 2)

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

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

Answer: B

NEW QUESTION 120

- (Topic 2)

Which of the following warehousing tools enables wireless scanning of products?

- A. Magnetic stripes
- B. Universal product codes
- C. Radio frequency devices
- D. Local area network

Answer: C

NEW QUESTION 121

- (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 125

- (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 129

- (Topic 2)

A corporation must consider which of the following factors when selecting its enterprise resources planning system?

- A. Uniqueness of operations
- B. Corporate profitability
- C. MRP and MRP II processing
- D. Industry benchmarks

Answer: A

NEW QUESTION 131

- (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 134

- (Topic 2)

Which of the following statements about the use of bar code labels for product identification in the supply chain is true?

- A. They have been replaced by radio frequency identification tags.
- B. They can be read by devices 1 to 3 meters from the item.
- C. They facilitate the capture of information about the location of items.
- D. Each of the trading partners must apply a unique label.

Answer: C

NEW QUESTION 138

- (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 142

- (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 147

- (Topic 2)

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

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

Answer: A

NEW QUESTION 152

- (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 154

- (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 nothing
- 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 158

- (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 163

- (Topic 2)

When doing international business, a company's total line-haul costs will vary with the:

- A. weight shipped.
- B. distance shipped.
- C. pallets shipped.
- D. volume shipped.

Answer: B

NEW QUESTION 168

- (Topic 2)

Which of the following activities typically would be an appropriate application of the ISO 31000 Risk Management Principles and Guidelines?

- A. Calculating a risk index for each facility
- B. Establishing external risk communications processes
- C. Projecting the ability of a facility to recover from an event
- D. Preparing for risk management accreditation

Answer: B

NEW QUESTION 169

- (Topic 2)

A company that has consistently achieved a high level of on-time delivery performance has decided to reduce its inventory level significantly. Which of the following outcomes is the most likely effect of that decision on the company's on time delivery performance?

- A. There will be no effect.
- B. It will decline and then stabilize at a lower level.
- C. It will improve and then stabilize at a higher level.
- D. It will decline until sales erode.

Answer: B

NEW QUESTION 170

- (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 175

- (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 178

- (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 181

- (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 185

- (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 189

- (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 193

- (Topic 2)

The globalization of a supply chain typically increases uncertainty and:

- A. production lead time.
- B. local competition.
- C. documentation complexity.
- D. product standardization.

Answer: C

NEW QUESTION 194

- (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 195

- (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 199

- (Topic 2)

A manufacturer of consumer packaged goods with a single plant and nine regional distribution centers is considering reducing the number of distribution centers in its system. Reducing the number of distribution centers most likely will reduce fixed warehousing and the cost of:

- A. storing cycle inventory in the distribution centers.
- B. storing finished-goods inventory at the manufacturing plants.
- C. transportation from the distribution centers to the customer.
- D. transportation from the plant to the distribution centers.

Answer: D

NEW QUESTION 202

- (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 205

- (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 207

- (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 209

- (Topic 2)

A firm is undertaking a revision of its financial metrics to make them more comprehensive and has decided to use metrics such as return on investment (ROI), return on assets (ROA), and economic value added (EVA). This is an example of utilizing which of the following types of metrics?

- A. Activity based
- B. Stakeholder focused
- C. Financial sustainability
- D. Value chain

Answer: C

NEW QUESTION 214

- (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 219

- (Topic 2)

What is the primary benefit of using a central storage warehouse for all components rather than using point-of-use storage?

- A. Reduced need for bar codes and radio frequency identification technology
- B. Reduced material handling costs
- C. Ease of control and count accuracy
- D. Maintain a cleaner shop floor

Answer: C

NEW QUESTION 222

- (Topic 3)

The recovery element of a reverse logistics supply chain strategy is best illustrated by:

- A. the use of refillable containers by a water supply company.
- B. the use of rechargeable batteries by an individual.

- C. a grower selling fresh-produce scrap to other farmers.
- D. the reduction of energy consumption by a manufacturer.

Answer: A

NEW QUESTION 225

- (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 228

- (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 229

- (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 230

- (Topic 3)

Which of the following actions is most appropriate when implementing a strategy to create customer-affordable value?

- A. Use a more rapid transportation mode.
- B. Increase safety stock.
- C. Extend product warranty.
- D. Employ lean principles.

Answer: D

NEW QUESTION 232

- (Topic 3)

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

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

Answer: B

NEW QUESTION 237

- (Topic 3)

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

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

Answer: C

NEW QUESTION 241

- (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 244

- (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 249

- (Topic 3)

Implementation of supplier relationship management is most successful when a company emphasizes which of the following two factors?

- A. Cost reduction and product design
- B. Quality and partnerships
- C. Technology and productivity
- D. Capital investments and global expansion

Answer: B

NEW QUESTION 252

- (Topic 3)

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

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

Answer: :C

NEW QUESTION 256

- (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 259

- (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 264

- (Topic 3)

A company operates under a make-to-order policy, and its supplier operates under a make- to-stock policy. Which of the following risks poses the greatest threat?

- A. Inventory risk for the company
- B. Inventory risk for the supplier
- C. Debt leverage risk for the company
- D. Debt leverage risk for the supplier

Answer: B

NEW QUESTION 265

- (Topic 3)

To ensure a successful relationship, trading partners must adapt their organizations to leverage advantages found in cross-supply-chain collaboration because:

- A. customers and suppliers are not interactive.
- B. cross-functional support can be offered only by the central source.
- C. all entities are collectively responsible for growth of revenue and profits.
- D. risks in supplier/customer negotiations are reduced.

Answer: :C

NEW QUESTION 267

- (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 269

- (Topic 3)

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

- A. Advanced shipping notice (ASN)
- B. Continuous quality improvement (CQI)
- C. Vendor-managed inventory (VMI)
- D. Efficient consumer response (ECR)

Answer: D

NEW QUESTION 273

- (Topic 3)

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

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

Answer: A

NEW QUESTION 274

- (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 276

- (Topic 3)

The most appropriate frequency for the sales and operations planning process typically is:

- A. weekly.
- B. monthly.
- C. quarterly.
- D. annually.

Answer: B

NEW QUESTION 279

- (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 283

- (Topic 3)

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

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

Answer: B

NEW QUESTION 288

- (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 289

- (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 293

- (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 296

- (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 297

- (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 299

- (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 302

- (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 306

- (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 309

- (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 312

- (Topic 3)

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

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

Answer: A

NEW QUESTION 313

- (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 316

- (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 319

- (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 324

- (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 326

- (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 327

- (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 329

- (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 331

- (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 336

- (Topic 3)

A manufacturer of fast-moving consumer goods wants to implement a process improvement method to increase flexibility and decrease the risk of obsolete inventory. Which of the following approaches is most likely to help reach these goals?

- A. Lean manufacturing
- B. Advanced planning and scheduling
- C. Six sigma

D. Total quality management

Answer: A

NEW QUESTION 339

- (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 343

- (Topic 3)

Standardization of supply chain processes is most likely to facilitate achievement of which of the following activities?

- A. Reducing the total cost of ownership
- B. Tracking the effects of improvement initiatives
- C. Creating project consensus
- D. Understanding of operational metrics

Answer: B

NEW QUESTION 348

- (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 350

- (Topic 3)

A company has revenues of \$100,000, which includes 10% supply chain expense and 80% other expenses. Which of the following actions will result in the largest increase in gross profit?

- A. Increase sales by 25%.
- B. Increase sales by 10% and reduce supply chain expense to 8%.
- C. Increase sales by 15% and reduce supply chain expense to 9%.
- D. Reduce supply chain expense to 5%.

Answer: :D

NEW QUESTION 354

- (Topic 3)

Which of the following supply chain strategies should be chosen if the lead-time for a product is long and the demand is not predictable?

- A. Inventory positioning
- B. Pull replenishment
- C. Continuous replenishment
- D. Push system

Answer: A

NEW QUESTION 356

- (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 359

- (Topic 3)

The purpose of capacity requirements planning is to determine:

- A. the number of overtime hours required to complete a job.
- B. when equipment and labor are needed.
- C. what materials are needed.
- D. what materials require expediting.

Answer: B

NEW QUESTION 363

- (Topic 3)

A large, global third party logistics provider (3PL) is contemplating the switch to the use of ethanol-based fuel in its truck fleet and wants to identify the impact of this change on food prices. Which of the following attributes of the triple bottom line (TBL) are part of this trade off decision?

- A. Organizational, financial and social
- B. Social, financial and environmental
- C. Social, environmental and organizational
- D. Organizational, financial and environmental

Answer: B

NEW QUESTION 367

- (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 370

- (Topic 3)

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

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

Answer: C

NEW QUESTION 372

- (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 376

- (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 381

- (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 386

- (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 388

- (Topic 3)

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

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

Answer: :A

NEW QUESTION 390

- (Topic 3)

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

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

Answer: A

NEW QUESTION 393

- (Topic 3)

Which of the following procurement strategies is most appropriate for a high-risk, high- value item?

- A. Procuring in bulk to take advantage of volume pricing
- B. Using an electronic trading platform to source items securely
- C. Entering into vendor managed inventory (VMI) agreement
- D. Creating a close collaborative relationship with the supplier

Answer: D

NEW QUESTION 396

- (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 400

- (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 405

- (Topic 3)

Which of the following conditions is most likely to occur shortly after the introduction of an innovative product family?

- A. Forecast errors will be low.
- B. Production lead time will increase.
- C. An inventory buffer will be required.
- D. Demand will be stable.

Answer: C

NEW QUESTION 409

- (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 411

- (Topic 3)

A manufacturer is the sole supplier of a product family. It sells to regional distributors that sell to retailers. The manufacturer uses batch production processes that have long setup times. All nodes in the supply chain have agreed to pursue a quick response to changes in the level of demand as a competitive priority. Which of the following factors is most likely to hinder their pursuit of this competitive priority?

- A. Information technology standards
- B. Information sharing practices
- C. Contractual terms and conditions
- D. Manufacturing lot sizes

Answer: D

NEW QUESTION 414

- (Topic 3)

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

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

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

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

Answer: C

NEW QUESTION 419

- (Topic 3)

A firm experiences a supply chain interruption from a second-tier supplier. Which of the following actions is the firm likely to take to minimize future interruptions?

- A. Require the supplier to submit weekly cycle count reports.
- B. Require the supplier to implement a sales and operations planning process.
- C. Map the supplier's supply chain to identify risks and opportunities.
- D. Conduct an ISO 14001 audit of the supplier.

Answer: C

NEW QUESTION 422

- (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 423

- (Topic 3)

Which of the following processes ensures that functional plans are consistent?

- A. Strategic planning
- B. Sales and operations planning
- C. Project planning
- D. Master scheduling

Answer: B

NEW QUESTION 426

- (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 428

- (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 432

- (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 436

- (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 438

- (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 443

- (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 448

- (Topic 3)

An information technology system that couples enterprise resources planning and an advanced planning system would be most appropriate for which of the following types of business operations?

- A. Multiple plants in multiple industries
- B. Multiple plants in the same supply chain
- C. Multiple supply chains of different products
- D. Multiple supply chains of the same product

Answer: B

NEW QUESTION 449

- (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 450

- (Topic 3)

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

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

Answer: C

NEW QUESTION 455

- (Topic 3)

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

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

Answer: D

NEW QUESTION 457

- (Topic 3)

The primary contribution from an enterprise resources planning system in building supply chain capability is:

- A. real-time manufacturing planning.
- B. improved decision making.
- C. ease of implementation.
- D. timely order tracking.

Answer: B

NEW QUESTION 460

- (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 462

- (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 463

- (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 464

- (Topic 3)

A company is beginning the process of defining market segments for its products and services. The most appropriate objective for this undertaking would be to identify groups of customers with similar:

- A. geographical locations.
- B. buying power.
- C. revenue potential.
- D. service requirements.

Answer: D

NEW QUESTION 465

- (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 468

- (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 471

- (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 472

- (Topic 3)

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

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

Answer: B

NEW QUESTION 473

- (Topic 3)

Which of the following supply chain attributes is most appropriate for products with wide variety and highly variable demand?

- A. Efficient
- B. Responsive
- C. Short
- D. Virtual

Answer: B

NEW QUESTION 478

- (Topic 3)

A manufacturer of consumer goods has purchased one of its distributors. The distributor's inventory system is archaic and will not integrate into the manufacturer's enterprise resources planning (ERP) system. Which of the following approaches is the most appropriate long-term solution for the manufacturer?

- A. Buy a complete ERP system that includes seamlessly integrated distribution.
- B. Buy a warehouse management system that integrates into the ERP system.
- C. Run the existing warehouse inventory system and update the ERP system manually.
- D. Hire a software contractor to write an interface with batch update to the ERP system.

Answer: B

NEW QUESTION 483

- (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 488

- (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 489

- (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 491

- (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 494

- (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 498

- (Topic 3)

A car manufacturer has 40000 cars in inventory, of which 5000 are electric. The manufacturer expects to sell 5000 cars per day, of which 4000 are estimated to be gasoline cars. The days of supply for electric cars is:

- A. 40 days.
- B. 10 days.
- C. 8 days.
- D. 5 days.

Answer: D

NEW QUESTION 502

- (Topic 3)

Outsourcing is most appropriate when a product is:

- A. modular and independent of knowledge and capacity.
- B. modular and dependent on knowledge and capacity.
- C. integral and independent of knowledge and capacity.
- D. integral and dependent on knowledge and capacity.

Answer: A

NEW QUESTION 505

- (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 507

- (Topic 3)

A supervisor knows that employees have good ideas for improving department operations but are hesitant to share them. Which of the following tools would be most appropriate for encouraging the employees to participate in identifying opportunities?

- A. Tree diagram
- B. Pareto chart
- C. Process map
- D. Affinity diagram

Answer: D

NEW QUESTION 510

- (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 513

- (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 517

- (Topic 3)

An organization is partnering with a supplier. The most appropriate tool to ensure that the supplier has the necessary capabilities is:

- A. a supplier-input-process-output-customer diagram.
- B. supplier certification.
- C. supplier relationship management.
- D. supplier performance evaluation.

Answer: B

NEW QUESTION 519

- (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 521

- (Topic 3)

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

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

Answer: D

NEW QUESTION 524

- (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 527

- (Topic 3)

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

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

Answer: C

NEW QUESTION 531

- (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 533

- (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 534

- (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 539

- (Topic 3)

The most appropriate strategy for a firm that makes and sells a wide range of items typically would be to domestically source items that have which of the following characteristics?

- A. Short product life cycle and many variations
- B. Short product life cycle and few variations
- C. High labor value and low transport uncertainty
- D. High labor value and high transport uncertainty domestically

Answer: A

NEW QUESTION 540

- (Topic 3)

A company uses multiple ingredients to make a product that is sold in multiple countries. Each country requires country-specific labels. A third-party supplier provides the country- specific labels. The most appropriate push-pull interface is:

- A. raw materials to product.
- B. product to labels.
- C. finished product with labels.
- D. customer to finished product.

Answer: B

NEW QUESTION 542

- (Topic 3)

A distributor has a network consisting of a central distribution center serving five regional distribution centers that ships to multiple retailers. The distributor wants to reduce inventory while maintaining product availability. Which of the following actions is most likely to produce the desired outcome?

- A. Centralizing inventory for slow-moving items
- B. Reducing the quoted price for slow-moving items
- C. Implementing cross-docking at the central distribution center
- D. Implementing continuous replenishment at the regional centers

Answer: A

NEW QUESTION 544

- (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 545

- (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 549

- (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 552

- (Topic 3)

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

- A. the intranet.
- B. a portal.
- C. a Web site.
- D. e-mail.

Answer: B

NEW QUESTION 555

- (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 560

- (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 561

- (Topic 3)

The logistics value proposition involves matching:

- A. identification of appropriate sourcing partners with service reliability metrics.
- B. activity-based costing practices with supply chain financial strategy.
- C. cost minimization practices with balanced scoreboard performance.
- D. operating competency and commitment with key customer requirements.

Answer: D

NEW QUESTION 565

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NEW QUESTION 1

- (Topic 1)

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

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

Answer: B

NEW QUESTION 2

- (Topic 1)

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

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

Answer: B

NEW QUESTION 3

- (Topic 1)

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

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

Answer: B

NEW QUESTION 4

- (Topic 1)

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)

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 6

- (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 7

- (Topic 1)

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

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

D. Emphasizing the quality of the product

Answer: B

NEW QUESTION 8

- (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 9

- (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 10

- (Topic 1)

A large wholesaler formerly owned a number of delivery trucks. The wholesaler sold all of its trucks and now purchases transportation services from fleet operators. This is an example of which of the following strategies?

- A. Selling and leasing back equipment.
- B. Renting equipment on consignment.
- C. Using a third-party logistics provider.
- D. Using an owner-operator fleet.

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 14

- (Topic 1)

A company has been delivering a global product that no longer appears profitable. Senior management's best response is to:

- A. analyze product profitability by market segment.
- B. discontinue the product based on eroding profitability.
- C. provide additional incentives to the sales force.
- D. increase promotional activity across all markets.

Answer: A

NEW QUESTION 15

- (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 18

- (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 19

- (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 24

- (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 26

- (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 29

- (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 34

- (Topic 1)

The primary reason for the evolution of the supply chain is:

- A. fewer rejects due to poor quality.
- B. increased on-time delivery.
- C. increased cost savings.
- D. increased communication.

Answer: D

NEW QUESTION 38

- (Topic 1)

Companies are more likely to consider the consequences of their product design decisions when they view the reverse supply chain as an extension of the:

- A. forward supply chain.
- B. marketing process.
- C. manufacturing process.
- D. sales and operations planning process.

Answer: A

NEW QUESTION 43

- (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 47

- (Topic 1)

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

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

Answer: C

NEW QUESTION 52

- (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 55

- (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 58

- (Topic 1)

Which of the following is the most important result when a company implements customer relationship management?

- A. Profits are maximized.
- B. Retention of key customers is increased.
- C. Product options are increased.
- D. Transaction costs are decreased.

Answer: B

NEW QUESTION 62

- (Topic 1)

Which of the following types of information would be an appropriate basis for a qualitative forecast?

- A. Leading indicators
- B. Market research data
- C. Order history
- D. Shipment history

Answer: B

NEW QUESTION 63

- (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 65

- (Topic 1)

Compared to a blanket purchase order, a supplier alliance agreement is best differentiated by:

- A. efficient material replenishment processes.
- B. clearly identified roles for the buyer and seller.
- C. a shared vision of added value.
- D. a sole-source agreement.

Answer: C

NEW QUESTION 67

- (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 70

- (Topic 1)

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

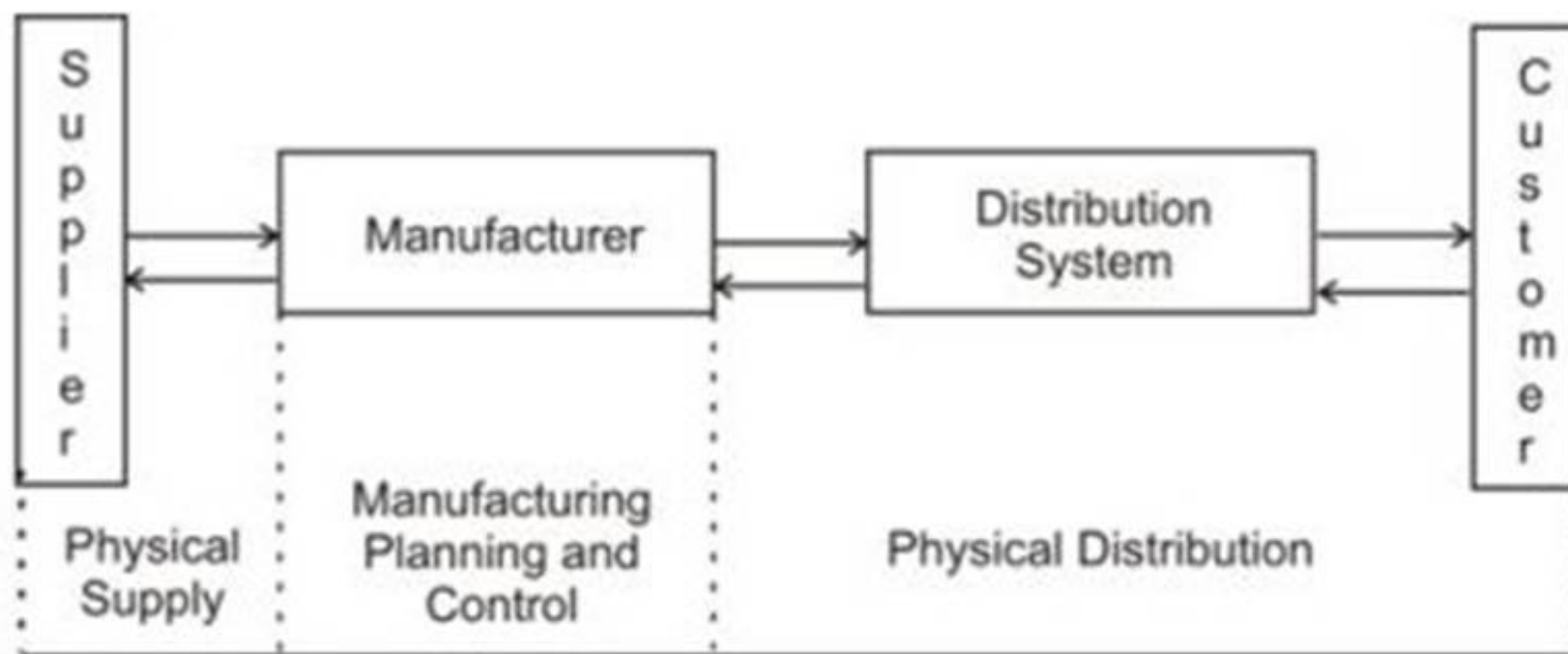
- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

Answer: A

NEW QUESTION 72

- (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 73

- (Topic 1)

A firm supplies products and services to a wide variety of industries with varying requirements for responsiveness and reliability. Many customers across these industries are not satisfied with the firm's ability to meet the lead time and on time delivery requirements. Which of the following tools is most appropriate for the firm to use to improve customer service?

- A. Customer service ratio metrics
- B. Market segmentation
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

Answer: B

NEW QUESTION 77

- (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 82

- (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 87

- (Topic 1)

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

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

Answer: B

NEW QUESTION 92

- (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 93

- (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 95

- (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 98

- (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 99

- (Topic 2)

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

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

Answer: A

NEW QUESTION 100

- (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 103

- (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 105

- (Topic 2)

What is the primary benefit of using modular rather than integral designs?

- A. Lower cost of manufacturing
- B. Increased product performance
- C. Greater responsiveness in marketing and production
- D. Reduced complexity of bills of material

Answer: C

NEW QUESTION 110

- (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 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 114

- (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 115

- (Topic 2)

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

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

Answer: B

NEW QUESTION 120

- (Topic 2)

Which of the following warehousing tools enables wireless scanning of products?

- A. Magnetic stripes
- B. Universal product codes
- C. Radio frequency devices
- D. Local area network

Answer: C

NEW QUESTION 121

- (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 125

- (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 129

- (Topic 2)

A corporation must consider which of the following factors when selecting its enterprise resources planning system?

- A. Uniqueness of operations
- B. Corporate profitability
- C. MRP and MRP II processing
- D. Industry benchmarks

Answer: A

NEW QUESTION 131

- (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 134

- (Topic 2)

Which of the following statements about the use of bar code labels for product identification in the supply chain is true?

- A. They have been replaced by radio frequency identification tags.
- B. They can be read by devices 1 to 3 meters from the item.
- C. They facilitate the capture of information about the location of items.
- D. Each of the trading partners must apply a unique label.

Answer: C

NEW QUESTION 138

- (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 142

- (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 147

- (Topic 2)

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

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

Answer: A

NEW QUESTION 152

- (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 154

- (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 nothing
- 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 158

- (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 163

- (Topic 2)

When doing international business, a company's total line-haul costs will vary with the:

- A. weight shipped.
- B. distance shipped.
- C. pallets shipped.
- D. volume shipped.

Answer: B

NEW QUESTION 168

- (Topic 2)

Which of the following activities typically would be an appropriate application of the ISO 31000 Risk Management Principles and Guidelines?

- A. Calculating a risk index for each facility
- B. Establishing external risk communications processes
- C. Projecting the ability of a facility to recover from an event
- D. Preparing for risk management accreditation

Answer: B

NEW QUESTION 169

- (Topic 2)

A company that has consistently achieved a high level of on-time delivery performance has decided to reduce its inventory level significantly. Which of the following outcomes is the most likely effect of that decision on the company's on time delivery performance?

- A. There will be no effect.
- B. It will decline and then stabilize at a lower level.
- C. It will improve and then stabilize at a higher level.
- D. It will decline until sales erode.

Answer: B

NEW QUESTION 170

- (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 175

- (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 178

- (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 181

- (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 185

- (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 189

- (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 193

- (Topic 2)

The globalization of a supply chain typically increases uncertainty and:

- A. production lead time.
- B. local competition.
- C. documentation complexity.
- D. product standardization.

Answer: C

NEW QUESTION 194

- (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 195

- (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 199

- (Topic 2)

A manufacturer of consumer packaged goods with a single plant and nine regional distribution centers is considering reducing the number of distribution centers in its system. Reducing the number of distribution centers most likely will reduce fixed warehousing and the cost of:

- A. storing cycle inventory in the distribution centers.
- B. storing finished-goods inventory at the manufacturing plants.
- C. transportation from the distribution centers to the customer.
- D. transportation from the plant to the distribution centers.

Answer: D

NEW QUESTION 202

- (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 205

- (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 207

- (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 209

- (Topic 2)

A firm is undertaking a revision of its financial metrics to make them more comprehensive and has decided to use metrics such as return on investment (ROI), return on assets (ROA), and economic value added (EVA). This is an example of utilizing which of the following types of metrics?

- A. Activity based
- B. Stakeholder focused
- C. Financial sustainability
- D. Value chain

Answer: C

NEW QUESTION 214

- (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 219

- (Topic 2)

What is the primary benefit of using a central storage warehouse for all components rather than using point-of-use storage?

- A. Reduced need for bar codes and radio frequency identification technology
- B. Reduced material handling costs
- C. Ease of control and count accuracy
- D. Maintain a cleaner shop floor

Answer: C

NEW QUESTION 222

- (Topic 3)

The recovery element of a reverse logistics supply chain strategy is best illustrated by:

- A. the use of refillable containers by a water supply company.
- B. the use of rechargeable batteries by an individual.

- C. a grower selling fresh-produce scrap to other farmers.
- D. the reduction of energy consumption by a manufacturer.

Answer: A

NEW QUESTION 225

- (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 228

- (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 229

- (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 230

- (Topic 3)

Which of the following actions is most appropriate when implementing a strategy to create customer-affordable value?

- A. Use a more rapid transportation mode.
- B. Increase safety stock.
- C. Extend product warranty.
- D. Employ lean principles.

Answer: D

NEW QUESTION 232

- (Topic 3)

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

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

Answer: B

NEW QUESTION 237

- (Topic 3)

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

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

Answer: C

NEW QUESTION 241

- (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 244

- (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 249

- (Topic 3)

Implementation of supplier relationship management is most successful when a company emphasizes which of the following two factors?

- A. Cost reduction and product design
- B. Quality and partnerships
- C. Technology and productivity
- D. Capital investments and global expansion

Answer: B

NEW QUESTION 252

- (Topic 3)

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

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

Answer: :C

NEW QUESTION 256

- (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 259

- (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 264

- (Topic 3)

A company operates under a make-to-order policy, and its supplier operates under a make- to-stock policy. Which of the following risks poses the greatest threat?

- A. Inventory risk for the company
- B. Inventory risk for the supplier
- C. Debt leverage risk for the company
- D. Debt leverage risk for the supplier

Answer: B

NEW QUESTION 265

- (Topic 3)

To ensure a successful relationship, trading partners must adapt their organizations to leverage advantages found in cross-supply-chain collaboration because:

- A. customers and suppliers are not interactive.
- B. cross-functional support can be offered only by the central source.
- C. all entities are collectively responsible for growth of revenue and profits.
- D. risks in supplier/customer negotiations are reduced.

Answer: :C

NEW QUESTION 267

- (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 269

- (Topic 3)

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

- A. Advanced shipping notice (ASN)
- B. Continuous quality improvement (CQI)
- C. Vendor-managed inventory (VMI)
- D. Efficient consumer response (ECR)

Answer: D

NEW QUESTION 273

- (Topic 3)

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

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

Answer: A

NEW QUESTION 274

- (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 276

- (Topic 3)

The most appropriate frequency for the sales and operations planning process typically is:

- A. weekly.
- B. monthly.
- C. quarterly.
- D. annually.

Answer: B

NEW QUESTION 279

- (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 283

- (Topic 3)

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

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

Answer: B

NEW QUESTION 288

- (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 289

- (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 293

- (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 296

- (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 297

- (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 299

- (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 302

- (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 306

- (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 309

- (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 312

- (Topic 3)

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

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

Answer: A

NEW QUESTION 313

- (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 316

- (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 319

- (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 324

- (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 326

- (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 327

- (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 329

- (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 331

- (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 336

- (Topic 3)

A manufacturer of fast-moving consumer goods wants to implement a process improvement method to increase flexibility and decrease the risk of obsolete inventory. Which of the following approaches is most likely to help reach these goals?

- A. Lean manufacturing
- B. Advanced planning and scheduling
- C. Six sigma

D. Total quality management

Answer: A

NEW QUESTION 339

- (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 343

- (Topic 3)

Standardization of supply chain processes is most likely to facilitate achievement of which of the following activities?

- A. Reducing the total cost of ownership
- B. Tracking the effects of improvement initiatives
- C. Creating project consensus
- D. Understanding of operational metrics

Answer: B

NEW QUESTION 348

- (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 350

- (Topic 3)

A company has revenues of \$100,000, which includes 10% supply chain expense and 80% other expenses. Which of the following actions will result in the largest increase in gross profit?

- A. Increase sales by 25%.
- B. Increase sales by 10% and reduce supply chain expense to 8%.
- C. Increase sales by 15% and reduce supply chain expense to 9%.
- D. Reduce supply chain expense to 5%.

Answer: :D

NEW QUESTION 354

- (Topic 3)

Which of the following supply chain strategies should be chosen if the lead-time for a product is long and the demand is not predictable?

- A. Inventory positioning
- B. Pull replenishment
- C. Continuous replenishment
- D. Push system

Answer: A

NEW QUESTION 356

- (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 359

- (Topic 3)

The purpose of capacity requirements planning is to determine:

- A. the number of overtime hours required to complete a job.
- B. when equipment and labor are needed.
- C. what materials are needed.
- D. what materials require expediting.

Answer: B

NEW QUESTION 363

- (Topic 3)

A large, global third party logistics provider (3PL) is contemplating the switch to the use of ethanol-based fuel in its truck fleet and wants to identify the impact of this change on food prices. Which of the following attributes of the triple bottom line (TBL) are part of this trade off decision?

- A. Organizational, financial and social
- B. Social, financial and environmental
- C. Social, environmental and organizational
- D. Organizational, financial and environmental

Answer: B

NEW QUESTION 367

- (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 370

- (Topic 3)

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

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

Answer: C

NEW QUESTION 372

- (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 376

- (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 381

- (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 386

- (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 388

- (Topic 3)

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

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

Answer: :A

NEW QUESTION 390

- (Topic 3)

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

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

Answer: A

NEW QUESTION 393

- (Topic 3)

Which of the following procurement strategies is most appropriate for a high-risk, high- value item?

- A. Procuring in bulk to take advantage of volume pricing
- B. Using an electronic trading platform to source items securely
- C. Entering into vendor managed inventory (VMI) agreement
- D. Creating a close collaborative relationship with the supplier

Answer: D

NEW QUESTION 396

- (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 400

- (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 405

- (Topic 3)

Which of the following conditions is most likely to occur shortly after the introduction of an innovative product family?

- A. Forecast errors will be low.
- B. Production lead time will increase.
- C. An inventory buffer will be required.
- D. Demand will be stable.

Answer: C

NEW QUESTION 409

- (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 411

- (Topic 3)

A manufacturer is the sole supplier of a product family. It sells to regional distributors that sell to retailers. The manufacturer uses batch production processes that have long setup times. All nodes in the supply chain have agreed to pursue a quick response to changes in the level of demand as a competitive priority. Which of the following factors is most likely to hinder their pursuit of this competitive priority?

- A. Information technology standards
- B. Information sharing practices
- C. Contractual terms and conditions
- D. Manufacturing lot sizes

Answer: D

NEW QUESTION 414

- (Topic 3)

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

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

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

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

Answer: C

NEW QUESTION 419

- (Topic 3)

A firm experiences a supply chain interruption from a second-tier supplier. Which of the following actions is the firm likely to take to minimize future interruptions?

- A. Require the supplier to submit weekly cycle count reports.
- B. Require the supplier to implement a sales and operations planning process.
- C. Map the supplier's supply chain to identify risks and opportunities.
- D. Conduct an ISO 14001 audit of the supplier.

Answer: C

NEW QUESTION 422

- (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 423

- (Topic 3)

Which of the following processes ensures that functional plans are consistent?

- A. Strategic planning
- B. Sales and operations planning
- C. Project planning
- D. Master scheduling

Answer: B

NEW QUESTION 426

- (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 428

- (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 432

- (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 436

- (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 438

- (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 443

- (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 448

- (Topic 3)

An information technology system that couples enterprise resources planning and an advanced planning system would be most appropriate for which of the following types of business operations?

- A. Multiple plants in multiple industries
- B. Multiple plants in the same supply chain
- C. Multiple supply chains of different products
- D. Multiple supply chains of the same product

Answer: B

NEW QUESTION 449

- (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 450

- (Topic 3)

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

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

Answer: C

NEW QUESTION 455

- (Topic 3)

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

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

Answer: D

NEW QUESTION 457

- (Topic 3)

The primary contribution from an enterprise resources planning system in building supply chain capability is:

- A. real-time manufacturing planning.
- B. improved decision making.
- C. ease of implementation.
- D. timely order tracking.

Answer: B

NEW QUESTION 460

- (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 462

- (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 463

- (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 464

- (Topic 3)

A company is beginning the process of defining market segments for its products and services. The most appropriate objective for this undertaking would be to identify groups of customers with similar:

- A. geographical locations.
- B. buying power.
- C. revenue potential.
- D. service requirements.

Answer: D

NEW QUESTION 465

- (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 468

- (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 471

- (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 472

- (Topic 3)

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

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

Answer: B

NEW QUESTION 473

- (Topic 3)

Which of the following supply chain attributes is most appropriate for products with wide variety and highly variable demand?

- A. Efficient
- B. Responsive
- C. Short
- D. Virtual

Answer: B

NEW QUESTION 478

- (Topic 3)

A manufacturer of consumer goods has purchased one of its distributors. The distributor's inventory system is archaic and will not integrate into the manufacturer's enterprise resources planning (ERP) system. Which of the following approaches is the most appropriate long-term solution for the manufacturer?

- A. Buy a complete ERP system that includes seamlessly integrated distribution.
- B. Buy a warehouse management system that integrates into the ERP system.
- C. Run the existing warehouse inventory system and update the ERP system manually.
- D. Hire a software contractor to write an interface with batch update to the ERP system.

Answer: B

NEW QUESTION 483

- (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 488

- (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 489

- (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 491

- (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 494

- (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 498

- (Topic 3)

A car manufacturer has 40000 cars in inventory, of which 5000 are electric. The manufacturer expects to sell 5000 cars per day, of which 4000 are estimated to be gasoline cars. The days of supply for electric cars is:

- A. 40 days.
- B. 10 days.
- C. 8 days.
- D. 5 days.

Answer: D

NEW QUESTION 502

- (Topic 3)

Outsourcing is most appropriate when a product is:

- A. modular and independent of knowledge and capacity.
- B. modular and dependent on knowledge and capacity.
- C. integral and independent of knowledge and capacity.
- D. integral and dependent on knowledge and capacity.

Answer: A

NEW QUESTION 505

- (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 507

- (Topic 3)

A supervisor knows that employees have good ideas for improving department operations but are hesitant to share them. Which of the following tools would be most appropriate for encouraging the employees to participate in identifying opportunities?

- A. Tree diagram
- B. Pareto chart
- C. Process map
- D. Affinity diagram

Answer: D

NEW QUESTION 510

- (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 513

- (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 517

- (Topic 3)

An organization is partnering with a supplier. The most appropriate tool to ensure that the supplier has the necessary capabilities is:

- A. a supplier-input-process-output-customer diagram.
- B. supplier certification.
- C. supplier relationship management.
- D. supplier performance evaluation.

Answer: B

NEW QUESTION 519

- (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 521

- (Topic 3)

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

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

Answer: D

NEW QUESTION 524

- (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 527

- (Topic 3)

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

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

Answer: C

NEW QUESTION 531

- (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 533

- (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: B
Explanation: NEW QUESTIONS

NEW QUESTION 534

- (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 539

- (Topic 3)

The most appropriate strategy for a firm that makes and sells a wide range of items typically would be to domestically source items that have which of the following characteristics?

- A. Short product life cycle and many variations
- B. Short product life cycle and few variations
- C. High labor value and low transport uncertainty
- D. High labor value and high transport uncertainty domestically

Answer: A

NEW QUESTION 540

- (Topic 3)

A company uses multiple ingredients to make a product that is sold in multiple countries. Each country requires country-specific labels. A third-party supplier provides the country-specific labels. The most appropriate push-pull interface is:

- A. raw materials to product.
- B. product to labels.
- C. finished product with labels.
- D. customer to finished product.

Answer: B

NEW QUESTION 542

- (Topic 3)

A distributor has a network consisting of a central distribution center serving five regional distribution centers that ships to multiple retailers. The distributor wants to reduce inventory while maintaining product availability. Which of the following actions is most likely to produce the desired outcome?

- A. Centralizing inventory for slow-moving items
- B. Reducing the quoted price for slow-moving items
- C. Implementing cross-docking at the central distribution center
- D. Implementing continuous replenishment at the regional centers

Answer: A

NEW QUESTION 544

- (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 545

- (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 549

- (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 552

- (Topic 3)

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

- A. the intranet.
- B. a portal.
- C. a Web site.
- D. e-mail.

Answer: B

NEW QUESTION 555

- (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 560

- (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 561

- (Topic 3)

The logistics value proposition involves matching:

- A. identification of appropriate sourcing partners with service reliability metrics.
- B. activity-based costing practices with supply chain financial strategy.
- C. cost minimization practices with balanced scoreboard performance.
- D. operating competency and commitment with key customer requirements.

Answer: D

NEW QUESTION 565

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