

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)

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 4

- (Topic 1)

Which of the following organizational design choices is an example of vertical integration?

- A. Contracting with a third-party logistics provider
- B. Producing components used internally
- C. Externally staffing a customer service center
- D. Awarding a one-time trade show contract

Answer: B

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)

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 7

- (Topic 1)

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

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

Answer: A

NEW QUESTION 8

- (Topic 1)

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

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

Answer: C

NEW QUESTION 9

- (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 10

- (Topic 1)

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

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

Answer: A

NEW QUESTION 10

- (Topic 1)

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

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

Answer: B

NEW QUESTION 13

- (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 15

- (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 19

- (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 21

- (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 24

- (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 29

- (Topic 1)

A company's annual cost of goods sold is \$350 million, and inventory carrying cost is 18%. The company averages four inventory turns. The cost savings resulting from increasing inventory turns from four to six would be:

- A. \$29,000,000.
- B. \$15,750,000.
- C. \$10,500,000.
- D. \$ 5,250,000.

Answer: D

NEW QUESTION 33

- (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 37

- (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 40

- (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 45

- (Topic 1)

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

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

Answer: B

NEW QUESTION 49

- (Topic 1)

Demand management involves which of the following undertakings?

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

Answer: D

NEW QUESTION 53

- (Topic 1)

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

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

Answer: A

NEW QUESTION 57

- (Topic 1)

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

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

Answer: B

NEW QUESTION 60

- (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 62

- (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 67

- (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 72

- (Topic 2)

Potential customers of a company's new product have tight tolerance requirements. The company plans to purchase a critical component. To meet customer requirements, the company should first:

- A. implement statistical process control for the component.
- B. bring manufacturing of the critical component in-house.
- C. develop an alternate source of supply.
- D. certify the supplier of the component.

Answer: D

NEW QUESTION 73

- (Topic 2)

What are the steps in the supplier relationship process?

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

Answer: D

NEW QUESTION 74

- (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 77

- (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 82

- (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 83

- (Topic 2)

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

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

Answer: C

NEW QUESTION 86

- (Topic 2)

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

- A. Standardizing components used in a product family
- B. Expanding operations to multiple locations
- C. Consolidating manufacturing locations

D. Reducing the supplier base for commodity-type components

Answer: C

NEW QUESTION 89

- (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 90

- (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 93

- (Topic 2)

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

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

Answer: D

NEW QUESTION 96

- (Topic 2)

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

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

Answer: A

NEW QUESTION 100

- (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 104

- (Topic 2)

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

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

Answer: B

NEW QUESTION 105

- (Topic 2)

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

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

Answer: B

NEW QUESTION 109

- (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 113

- (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 117

- (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 120

- (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 122

- (Topic 2)

When an importer and manufacturer are operating in a free trade zone, payment of a customs duty is triggered when products are:

- A. returned.
- B. assembled.
- C. stored.
- D. distributed.

Answer: D

NEW QUESTION 127

- (Topic 2)

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

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

Answer: B

NEW QUESTION 130

- (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 134

- (Topic 2)

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

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

Answer: C

NEW QUESTION 139

- (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 141

- (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 145

- (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 148

- (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 149

- (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 154

- (Topic 2)

Which of the following distribution approaches for a low-volume, high-variety product line typically will result in the highest level of customer service and the lowest total distribution costs?

- A. Direct shipment from plant to customers
- B. Shipment from a central distribution warehouse
- C. Shipment through a multi-echelon distribution network
- D. Outsourcing the distribution function

Answer: A

NEW QUESTION 158

- (Topic 2)

Component commonality in manufacturing primarily allows a company to:

- A. optimize production runs for the components.
- B. use less-specialized machinery.
- C. decrease single-minute exchange of die processes.
- D. increase planning and control.

Answer: A

NEW QUESTION 160

- (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 162

- (Topic 2)

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

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

Answer: D

NEW QUESTION 163

- (Topic 3)

Electronic data interchange reduces costs primarily through:

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

Answer: A

NEW QUESTION 168

- (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 169

- (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 172

- (Topic 3)

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

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

Answer: C

NEW QUESTION 174

- (Topic 3)

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

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

Answer: B

NEW QUESTION 178

- (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 183

- (Topic 3)

On-time delivery performance in the supply chain can best be improved by aligning required capacity with what type of capacity?

- A. Demonstrated
- B. Rated
- C. Budgeted
- D. Theoretical

Answer: A

NEW QUESTION 186

- (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 187

- (Topic 3)

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

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

Answer: B

NEW QUESTION 190

- (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 194

- (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 195

- (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 196

- (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 197

- (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 198

- (Topic 3)

A primary objective of customer relationship management is to:

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

Answer: C

NEW QUESTION 200

- (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 203

- (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 207

- (Topic 3)

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

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

Answer: B

NEW QUESTION 211

- (Topic 3)

Market segmentation is important within the logistics function because it:

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

Answer: C

NEW QUESTION 216

- (Topic 3)

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

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

Answer: A

NEW QUESTION 219

- (Topic 3)

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

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

Answer: A

NEW QUESTION 223

- (Topic 3)

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

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

Answer: B

NEW QUESTION 224

- (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 228

- (Topic 3)

Which of the following technologies directly enables pulling products through the supply chain?

- A. Automatic identification system (AIS)
- B. Point of sale (POS) system
- C. Customer relationship management (CRM)
- D. Supply chain event management (SCEM)

Answer: B

NEW QUESTION 230

- (Topic 3)

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

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

Answer: C

NEW QUESTION 234

- (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 238

- (Topic 3)

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

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

Answer: B

NEW QUESTION 243

- (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 246

- (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 248

- (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 249

- (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 254

- (Topic 3)

Which of the following factors is the most appropriate measure of delivery performance for finished goods?

- A. Perfect order fulfillment
- B. On-time delivery
- C. Load efficiency
- D. Available-to-promise

Answer: A

NEW QUESTION 256

- (Topic 3)

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

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

Answer: A

NEW QUESTION 259

- (Topic 3)

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

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

Answer: A

NEW QUESTION 263

- (Topic 3)

Which of the following costs is an example of ordering cost?

- A. Inspection labor
- B. Obsolescence
- C. Cost of capital invested
- D. Insurance

Answer: A

NEW QUESTION 265

- (Topic 3)

Purchased component standardization generates savings primarily by reducing:

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

Answer: A

NEW QUESTION 270

- (Topic 3)

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

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

Answer: C

NEW QUESTION 271

- (Topic 3)

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

- A. Cash-to-cash cycle time
- B. Supply chain response time
- C. Order-fill rate performance
- D. Value-added productivity per employee

Answer: C

NEW QUESTION 274

- (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 279

- (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 281

- (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 285

- (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 289

- (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 294

- (Topic 3)

Which of the following variables is the most appropriate customer-facing goal used to determine the target inventory level?

- A. Inventory turns
- B. Level of service
- C. Total delivery cost
- D. Delivery lead time

Answer: B

NEW QUESTION 299

- (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 300

- (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 303

- (Topic 3)

Which of the following outcomes is an expected benefit of effectively implementing supply chain event management software?

- A. Inventory data are captured in real time.
- B. Files are transferred from one corporation to another.
- C. Notifications of variances from plans are triggered.
- D. Communication protocols between companies are standardized.

Answer: :C

NEW QUESTION 306

- (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 308

- (Topic 3)

Which of the following activities typically is included in a warehouse management system?

- A. Invoicing
- B. Freight-bill auditing
- C. Order processing
- D. Vehicle routing

Answer: C

NEW QUESTION 313

- (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 315

- (Topic 3)

The practice of purchasing items in large quantities and requesting that shipments be delivered directly to customers is referred to as:

- A. drop shipping.
- B. cross-docking.
- C. breaking bulk.
- D. freight equalization.

Answer: A

NEW QUESTION 316

- (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 320

- (Topic 3)

A typical advantage of a production outsourcing strategy for a company focusing on agility as a competitive priority is that:

- A. monitoring costs are decreased.
- B. production lead time is increased.
- C. product quality is increased.
- D. product introduction time is decreased.

Answer: D

NEW QUESTION 323

- (Topic 3)

The production scheduler for a bottleneck resource should:

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

Answer: B

NEW QUESTION 326

- (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 328

- (Topic 3)

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

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

Answer: D

NEW QUESTION 329

- (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 331

- (Topic 3)

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

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

Answer: A

NEW QUESTION 332

- (Topic 3)

The primary reason to establish a customer-dedicated warehouse is to:

- A. integrate and consolidate an assortment of inventory.
- B. position inventory to improve response time.
- C. balance inventory with consumption.
- D. equalize inbound and outbound logistics costs.

Answer: B

NEW QUESTION 335

- (Topic 3)

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

- A. The upward trend in inventory carrying costs
- B. The reduced number of potential suppliers
- C. The elimination of billing documents
- D. Higher transportation costs

Answer: D

NEW QUESTION 336

- (Topic 3)

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

- A. there is less in-transit inventory.
- B. the total variability of demand is reduced.

- C. average cycle stock is reduced.
- D. safety stock becomes available-to-promise.

Answer: B

NEW QUESTION 337

- (Topic 3)

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

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

Answer: B

NEW QUESTION 341

- (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 346

- (Topic 3)

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

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

Answer: B

NEW QUESTION 347

- (Topic 3)

The relative speed at which all transactions within the supply chain process occur is known as:

- A. the cycle time.
- B. velocity.
- C. latency.
- D. throughput.

Answer: B

NEW QUESTION 350

- (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 353

- (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 356

- (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 357

- (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 360

- (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 364

- (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 365

- (Topic 3)

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

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

Answer: B

NEW QUESTION 370

- (Topic 3)

In the supplier rationalization step of the supplier relationship management process, the supplier base is treated like:

- A. a rival competitor in a tight market.
- B. an extension of the enterprise.
- C. a subcontractor with the lowest bid.
- D. an end customer with 50% of the demand.

Answer: B

NEW QUESTION 373

- (Topic 3)

The ABC classification system answers which two of the following inventory-related questions?

- A. How much inventory should be ordered at one time, and when will the order be placed?
- B. What is the importance of the inventory item, and how will the inventory items be controlled?
- C. How much inventory should be ordered at one time, and what is the importance of the inventory item?
- D. When will the order be placed, and how will the inventory items be controlled?

Answer: B

NEW QUESTION 378

- (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 383

- (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 388

- (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 393

- (Topic 3)

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

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

Answer: B

NEW QUESTION 395

- (Topic 3)

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

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

Answer: A

NEW QUESTION 397

- (Topic 3)

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

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

Answer: A

NEW QUESTION 398

- (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 402

- (Topic 3)

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

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

Answer: A

NEW QUESTION 407

- (Topic 3)

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

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

Answer: C

NEW QUESTION 410

- (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 414

- (Topic 3)

Which of the following actions is an initial step in a continuous process improvement model?

- A. Creating a flowchart to map the process
- B. Benchmarking against another company
- C. Setting specific performance goals
- D. Developing a realistic project plan

Answer: A

NEW QUESTION 417

- (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 422

- (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 425

- (Topic 3)

A large bicycle company has outsourced manufacturing and needs to respond immediately to any logistics problems in the supply chain. The best technological solution to meet this need is:

- A. enterprise resources planning.
- B. supply chain event management.
- C. supplier relationship management.
- D. a transportation management system.

Answer: B

NEW QUESTION 426

- (Topic 3)

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

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

Answer: D

NEW QUESTION 430

- (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 431

- (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 436

- (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 439

- (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 442

- (Topic 3)

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

- A. Six sigma
- B. Statistical process control
- C. Lean production

D. Theory of constraints

Answer: A

NEW QUESTION 446

- (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 450

- (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 452

- (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 457

- (Topic 3)

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

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

Answer: :C

NEW QUESTION 461

- (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 463

- (Topic 3)

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

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

Answer: B

NEW QUESTION 468

- (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 469

- (Topic 3)

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

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

Answer: A

NEW QUESTION 473

- (Topic 3)

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

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

Answer: B

NEW QUESTION 474

- (Topic 3)

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

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

Answer: A

NEW QUESTION 479

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