



APICS

Exam Questions CSCP

Certified Supply Chain Professional

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NEW QUESTION 1

- (Topic 1)

Continuous improvement is best described as:

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

Answer: A

NEW QUESTION 2

- (Topic 1)

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

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

Answer: D

NEW QUESTION 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)

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 5

- (Topic 1)

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

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

Answer: B

NEW QUESTION 6

- (Topic 1)

The use of a seasonal index as a forecasting technique measures the ratio of the:

- A. average seasonal demand to the average demand for all periods.
- B. average demand for all periods to the average seasonal demand.
- C. average seasonal demand to the standard deviation of the demand for all periods.
- D. standard deviation of the seasonal demand to the standard deviation of demand for all periods.

Answer: A

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 strategies is used primarily for demand planning?

- A. Build-to-order scheduling
- B. Push-pull replenishment
- C. Collaborative planning, forecasting, and replenishment
- D. Vendor-managed inventory

Answer: C

NEW QUESTION 9

- (Topic 1)

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

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

Answer: C

NEW QUESTION 10

- (Topic 1)

The process of gathering data about what customers need and ensuring that desired features are included in the design and initial planning phase of a new product or service is known as:

- A. a quick response program.
- B. quality function deployment.
- C. total quality management.
- D. early supplier involvement.

Answer: B

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 13

- (Topic 1)

Which of the following practices has improved management of the customer pipeline?

- A. Reverse auctions
- B. Sales force automation
- C. Finite capacity planning
- D. Point-of-purchase metrics

Answer: :B

NEW QUESTION 14

- (Topic 1)

In addition to sales history, current customer orders, and forecasted demand, which of the following data sources should be used as part of a demand management process?

- A. Inventory levels
- B. Contractual obligations
- C. Customer profitability
- D. Scheduled marketing activities

Answer: D

NEW QUESTION 15

- (Topic 1)

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

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

Answer: :C

NEW QUESTION 18

- (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 20

- (Topic 1)

A firm has identified groups of customers based on specific characteristics the customers desire from products and services the firm can provide. Characteristics include lead times, pricing tiers, and service levels. The firm is engaged in which of the following activities?

- A. Customer differentiation
- B. Order winner segregation
- C. Market segmentation
- D. Channel definition

Answer: C

NEW QUESTION 25

- (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 30

- (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 33

- (Topic 1)

Supply chains delivering products or services are most able to respond quickly to changing market requirements when:

- A. products have been standardized.
- B. products have a modular design.
- C. production processes have been standardized.
- D. production processes have been simplified.

Answer: B

NEW QUESTION 34

- (Topic 1)

A return material authorization (RMA) policy is used in reverse logistics to:

- A. physically transport returned items by using an efficient transportation mode.
- B. minimize the number of returned items by involving product design and demand forecasting.
- C. reduce the cost of returned items by refusing to accept items that should not be returned.
- D. reclaim substantial value from returned items by recycling.

Answer: C

NEW QUESTION 36

- (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 39

- (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 41

- (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 46

- (Topic 1)

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

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

Answer: B

NEW QUESTION 51

- (Topic 1)

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

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

Answer: C

NEW QUESTION 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 55

- (Topic 1)

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

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

Answer: B

NEW QUESTION 56

- (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 61

- (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 64

- (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 67

- (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 69

- (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 74

- (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 75

- (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 76

- (Topic 2)

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

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

Answer: A

NEW QUESTION 77

- (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 81

- (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 84

- (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 89

- (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 93

- (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 95

- (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 100

- (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 104

- (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 105

- (Topic 2)

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

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

Answer: C

NEW QUESTION 109

- (Topic 2)

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

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

Answer: D

NEW QUESTION 112

- (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 117

- (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 119

- (Topic 2)

In an advanced planning system, which of the following modules feeds the master planning module?

- A. Purchasing planning
- B. Demand planning
- C. Distribution planning
- D. Fulfillment planning

Answer: B

NEW QUESTION 121

- (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 122

- (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 124

- (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 127

- (Topic 2)

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

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

Answer: C

NEW QUESTION 132

- (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 135

- (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 136

- (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 138

- (Topic 3)

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

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

Answer: A

NEW QUESTION 142

- (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 144

- (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 145

- (Topic 3)

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

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

Answer: B

NEW QUESTION 149

- (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 153

- (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 156

- (Topic 3)

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

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

Answer: C

NEW QUESTION 158

- (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 161

- (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 162

- (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 165

- (Topic 3)

A juice manufacturer wants to determine the time required to convert a dollar spent on materials into a dollar received in sales. Which of the following metrics would be most appropriate to make this determination?

- A. Activity-based costing
- B. Inventory carrying cost
- C. Cash-to-cash cycle time
- D. Average financial turnover

Answer: C

NEW QUESTION 169

- (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 170

- (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 171

- (Topic 3)

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

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

Answer: :D

NEW QUESTION 176

- (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 177

- (Topic 3)

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

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

Answer: C

NEW QUESTION 178

- (Topic 3)

A firm may use which of the following technologies to track the flow of inventory across its entire supply chain?

- A. Distribution requirements planning
- B. Radio frequency identification
- C. Transportation management system
- D. Warehouse management system

Answer: B

NEW QUESTION 179

- (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 183

- (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 184

- (Topic 3)

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

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

Answer: B

NEW QUESTION 185

- (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 187

- (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 189

- (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 190

- (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 193

- (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 194

- (Topic 3)

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

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

Answer: C

NEW QUESTION 195

- (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 200

- (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 201

- (Topic 3)

Which of the following approaches typically would be most effective in increasing inventory velocity in a supply chain?

- A. Using faster modes of transportation
- B. Using third-party logistics firms
- C. Reducing the inventory idle time
- D. Adding capacity at bottlenecks

Answer: C

NEW QUESTION 202

- (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 207

- (Topic 3)

Which of the following situations is a consequence of global operations?

- A. Decreased logistic cost
- B. Increased logistic complexity
- C. Reduced product variety
- D. Longer lead times

Answer: B

NEW QUESTION 208

- (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 210

- (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 214

- (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 218

- (Topic 3)

Which of the following manufacturing strategies typically generates the lowest supply chain inventory?

- A. Make to Stock
- B. Assemble to Order
- C. Make to Order
- D. Engineer to Order

Answer: D

NEW QUESTION 220

- (Topic 3)

A company may reduce its amount of safety stock by:

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

Answer: A

NEW QUESTION 225

- (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 229

- (Topic 3)

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

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

Answer: B

NEW QUESTION 233

- (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 234

- (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 235

- (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 236

- (Topic 3)

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

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

Answer: B

NEW QUESTION 237

- (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 239

- (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 242

- (Topic 3)

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

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

Answer: A

NEW QUESTION 243

- (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 245

- (Topic 3)

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

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

Answer: B

NEW QUESTION 247

- (Topic 3)

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

- A. Shorter delivery lead times
- B. Lower prices
- C. Improved service

D. Higher-quality products

Answer: B

NEW QUESTION 248

- (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 253

- (Topic 3)

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

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

Answer: C

NEW QUESTION 254

- (Topic 3)

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

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

Answer: B

NEW QUESTION 256

- (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 258

- (Topic 3)

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

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

Answer: A

NEW QUESTION 260

- (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 262

- (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 264

- (Topic 3)

A firm decides to move from a mass production to a mass customization model. This will result in a change in focus from:

- A. special to general purpose facilities.
- B. lower to higher operational cost.
- C. efficiency to effectiveness measures.
- D. high to low flexibility workforce.

Answer: :A

NEW QUESTION 269

- (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 272

- (Topic 3)

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

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

Answer: D

NEW QUESTION 276

- (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 281

- (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 284

- (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 285

- (Topic 3)

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

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

Answer: A

NEW QUESTION 287

- (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 290

- (Topic 3)

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

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

Answer: D

NEW QUESTION 292

- (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 293

- (Topic 3)

Which of the following processes is included in reverse logistics?

- A. Designing a new product out of recycled material
- B. Restoring a worn-out product to like-new condition
- C. Reducing the amount of packaging material in a product
- D. Eliminating toxic materials in a product

Answer: :B

NEW QUESTION 296

- (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 298

- (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 303

- (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 308

- (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 312

- (Topic 3)

Which of the following continuous improvement methodologies focuses on reduction of defects by reducing process variation?

- A. Just-in-Time (JIT)
- B. Kaizen
- C. Six Sigma
- D. Theory of constraints

Answer: C

NEW QUESTION 316

- (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 318

- (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 320

- (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 322

- (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 325

- (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 328

- (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 329

- (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 330

- (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 334

- (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 337

- (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 339

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