

## CIPS Level 2 – Certificate in Procurement and Supply Operations

Module 5 - Inventory, Logistics and Expediting

## **SAMPLE EXAM QUESTIONS**

**OBJECTIVE RESPONSE QUESTIONS AND ANSWERS** 

The correct answer will be identified as [key]



- Q1. Which of the following explains the actions involved as part of an efficient expediting system?
  - a. Checking requirements for export of goods from another country
  - b. Maintaining contact with important suppliers to reduce the likelihood of problems with orders [key]
  - c. Updating users on progress and ensuring speedy release of the purchase order
  - d. Ensuring invoices are checked and supplier payment is not delayed

LO: 3

AC: 3.2

- Q2. Why might an organisation hold safety stock?
  - a. To minimise the risk of stock outs [key]
  - b. To increase stock recording accuracy
  - c. To reduce order and handling costs
  - d. To utilise available storage capacity

LO: 1

AC: 1.1

- Q3. Which of the following is an example of why an organisation might decide to hold inventory?
- a) To help production look busy
- b) To maintain service level agreements [key]
- c) To make best use of warehouses
- d) To maintain smooth production

LO: 1

AC: 1.2



Q4. A example of system used to control inventory is	
a. TQM	
b. MRP [key]	
c. NLP	
d. OGM	
LO: 1	
AC: 1.3	
Q5. Drag and drop the correct option into the blank space.	
and he described as "the magazines of the	
of origin and the point of consumption in order to meet	flow of goods and services between the point customer requirements"
or origin and the point of consumption in order to inect	customer requirements .
Logistics [key], Operations, Organisational success, Proc	urement
LO: 2	
	A
AC: 2.1	
Q6. The rules that are used internationally to define the wa	y in which goods can be purchased are known
as	
a. land and sea terms	
b. open borders	
c. closed borders	
d. incoterms 2010 [key]	
LO: 2	
AC: 2.3	

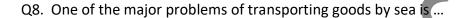


07	Which of the follow	wing documentation	would vou ass	sociate with the t	ransportation of	sunnlies?
$u_{I}$	VVIIICH OF LITE TOHOU	wille aucumemation	i wuulu vuu ass	SUCIALE WILII LIIE L	i alisbul tatiuli ui	SUDDIIES:

- a. Specification
- b. Consignment note [key]
- c. Purchase order
- d. Supplier catalogue

LO: 2

AC: 2.5



- a. salt ingress
- b. losing the ship in a storm
- c. time of delivery [key]
- d. excessive cost

LO: 2

AC: 2.2

Q9. Air freight is often not considered to be an option to transport goods because ...

- a. aircraft can crash
- b. it is very expensive [key]
- c. the pressure at height can damage goods
- d. loading is a problem

LO: 2

AC: 2.2



## Q10. A stock out may lead to ...

- a. better use of warehouse space
- b. reputational damage for the organisation [key]
- c. identifying ways to be more efficient
- d. increased value for money

LO: 3

AC: 3.1

