

**CIPS Level 3 – Advanced Certificate in
Procurement and Supply Operations
Module 1 - Procurement and Supply
Environments**

SAMPLE EXAM QUESTIONS

OBJECTIVE RESPONSE QUESTIONS AND ANSWERS

The correct answer will be identified as [key]

Q1. Which of the below is a public sector organisation?

- a. A country's military forces [key]
- b. A major charity
- c. A manufacturer of buses
- d. A food processor

LO: 1

AC: 1.3

Q2. A public sector organisation obtains its funds from ...

- a. direct and indirect taxes [key]
- b. money invested by shareholders
- c. donations made by the public
- d. sales in overseas markets

LO: 1

AC: 1.1

Q3. Drag and drop the correct option into the blank space.

A key characteristic of a third sector organisation is that

profits from operations are distributed to shareholders, service satisfaction is not measured in financial terms[key], shares in the organisation are traded on a stock market, its operations are based on efficient manufacturing

LO: 1

AC: 1.4

Q4. Drag and drop the correct option into the blank space

is the price at which the level of supply in a market matches the level of demand.

Best price, Value added price, **Equilibrium price [key]**, Minimum price

LO: 3

AC: 3.1

Q5. A PEST analysis is conducted on which of the following organisational environments?

a. Macro [key]

b. Internal

c. External

d. Historic

LO: 3

AC: 3.1

Q6. A key stage in the product life cycle is termed ...

a. profitability

b. maturity [key]

c. regeneration

d. abandonment

LO: 3

AC: 3.1

Q7. Drag and drop the correct option into the blank space.

A successful health and safety policy results in for the organisation.

Improved stock management, Improved cash flow, **Improved staff attendance [key]**, Improved warehouse capacity.

LO: 3

AC: 3.3

Q8. An organisation's equal opportunities policy will concern itself with ...

- a. age discrimination [key]
- b. opportunity costs
- c. globalisation of supply
- d. the balanced score card

LO: 3

AC: 3.3

Q9. Drag and drop the correct option into the blank space.

STEEPLED analysis concerns itself with ...

Social, Technical, Economic, Environmental, Political, Legal, Ethical and factors

Deadly, Demographic [Key], Dangerous, Diverse

LO: 3

AC: 3.1

Q10. A specification document may include a ...

- a. technical drawing [key]
- b. bill of sale
- c. invoice
- d. quotation of price

LO: 4

AC: 4.1
