

**CIPS Level 3 – Advanced Certificate in  
Procurement and Supply Operations  
Module 3 - Contract Administration**

**SAMPLE EXAM QUESTIONS**

**OBJECTIVE RESPONSE QUESTIONS AND ANSWERS**

The correct answer will be identified as [key]

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Q1. A performance measure that is important to the organisation, business unit or individual who is being measured is termed a ...

- a. key practical indicator
- b. key performance indicator [key]
- c. key primary indicator
- d. key positional indicator

LO: 1

AC: 1.2

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Q2. Competitive pricing with suppliers can be achieved through ...

- a. quality standards
- b. building supplier relationships
- c. value added analysis
- d. monitoring prices and obtaining quotations [key]

LO: 2

AC: 2.1

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

A  purchase is completed to meet immediate requirements, rather than for stock or to meet future demand.

spot [key], quick, one-off, long term

LO: 1

AC: 1.1

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Q4. In order to achieve effective tendering a buyer must initially ...

- a. forecast consumer demand
- b. carry out market research [key]
- c. establish a JIT philosophy
- d. adopt TQM

LO: 3

AC: 3.1

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Q5. A supplier offers low value non-complex goods to the organisation. The buyer may adopt which form of negotiation in these circumstances?

- a. Distributive [key]
- b. Inclusive
- c. Open
- d. Closed

LO: 2

AC: 2.2

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Q6. Drag and drop the correct option into the blank space.

is a process through which “each party tries to achieve their goals in the context of the relationship with the other party”.

Alignment, Collaborating, Synchronising, Negotiating [key]

LO: 2

AC: 2.2

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Q7. To ensure that the organisation receives value for money it will use which form of pricing mechanism?

- a. Competitive [key]
- b. Optimal
- c. Agreement
- d. Commercial

LO: 2

AC: 2.1

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Q8. When evaluating a tender the organisation will invariably look for the most ...

- a. economically viable tender [key]
- b. ecologically friendly tender
- c. believable tender
- d. cheapest tender

LO: 3

AC: 3.3

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

are included in the business case to highlight value for the organisation.

Benefits [key], Time constraints, Milestones, Financial costings

LO: 1

AC: 1.4

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Q10. In order to manage contractual risk the organisation may develop a ...

- a. quality management policy
- b. risk register [key]
- c. supplier appraisal
- d. market analysis report

LO: 4

AC: 4.3.1

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