

CSCP Dumps

Certified Supply Chain Professional

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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)

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 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)

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 6

- (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 7

- (Topic 1)

Using an independent service provider for logistics would be most appropriate in which of the following situations?

- A. A shoe company that wants to penetrate a foreign market
- B. A business that owns plants and warehouses globally
- C. A financial services company that wants to expand its services
- D. A cable television company that wants to add services

Answer: A

NEW QUESTION 8

- (Topic 1)

Which of the following actions typically would be considered part of a reverse logistics strategy?

- A. Offering a discount on new purchases when used products are returned
- B. Reducing the amount of packaging material used in shipping
- C. Manufacturing products in batches consistent with full-truckload shipments
- D. Batching returns of defective components to the suppliers

Answer: A

NEW QUESTION 9

- (Topic 1)

After identifying the potential causes for delays in communicating demand information up the supply chain, the trading partners should take which of the following actions?

- A. Implement a higher-speed data communications network.
- B. Change procedures so data is communicated more frequently.
- C. Identify the root causes for the delays.
- D. Map and analyze the value stream.

Answer: C

NEW QUESTION 10

- (Topic 1)

Incorporating supplier input into product and process design helps to:

- A. maintain quality.
- B. stabilize product costs.
- C. reduce time to market.
- D. save costs to the buyer.

Answer: C

NEW QUESTION 10

- (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 12

- (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 17

- (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 19

- (Topic 1)

Which of the following considerations is an important supply chain design decision?

- A. Product design

- B. Selecting supporting information systems
- C. Identifying labor force requirements
- D. Identifying training programs

Answer: B

NEW QUESTION 20

- (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 21

- (Topic 1)

Compared to a blanket purchase order, a supplier alliance agreement is best differentiated by:

- A. efficient material replenishment processes.
- B. clearly identified roles for the buyer and seller.
- C. a shared vision of added value.
- D. a sole-source agreement.

Answer: C

NEW QUESTION 24

- (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 25

- (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 26

- (Topic 1)

Which of the following forecasting methods relies on the opinions of a panel of experts?

- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

Answer: A

NEW QUESTION 28

- (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 32

- (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 36

- (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 38

- (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 41

- (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 42

- (Topic 1)

A company's decision to charge different prices for the same service sold in different market segments is most likely based on which of the following metrics?

- A. Internal rate of return (IRR)
- B. Lifetime customer value (LCV)
- C. Net present value (NPV)
- D. Return on investment (ROI)

Answer: B

NEW QUESTION 47

- (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 49

- (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 50

- (Topic 2)

A company produces and distributes a family of soft drinks in a single country. It has developed and will introduce a new family of soft drinks for weight- and health-conscious individuals. There currently are no competitors with nationwide distribution for this category of soft drinks. Which of the following supply chain strategies would be most appropriate for the two product families?

- A. Produce both product families to forecast and push through the distribution system.
- B. Produce both product families only after receipt of a distributor order.
- C. Produce the current product family to forecast and the new product family to order.
- D. Produce the current product family to order and the new product family to forecast.

Answer: C

NEW QUESTION 51

- (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 54

- (Topic 2)

Which of the following warehousing tools enables wireless scanning of products?

- A. Magnetic stripes
- B. Universal product codes
- C. Radio frequency devices
- D. Local area network

Answer: C

NEW QUESTION 56

- (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 60

- (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 63

- (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 67

- (Topic 2)

Distribution from which of the following types of sites enables goods to enter a country, undergo further modification, and then be exported without paying customs duties?

- A. Public warehouse
- B. Value-added territory
- C. Free trade zone
- D. Customs clearing house

Answer: C

NEW QUESTION 72

- (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 73

- (Topic 2)

A company that sells direct to industrial and commercial businesses has become successful by being responsive to the needs of its customers. The company currently produces in each country all of the products it sells in that country. Several countries in which the company operates have negotiated an agreement to establish a trading bloc. Which of the following actions by the company would be most appropriate if the agreement is implemented?

- A. Consolidate production outside the trading bloc to reduce total costs.
- B. Consolidate production within the trading bloc to reduce tariffs paid.
- C. Outsource the production of products with low sales volumes to reallocate capacity.
- D. Reassign products so that each is produced in a single facility within the trading bloc to get economies of scale.

Answer: D

NEW QUESTION 77

- (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 81

- (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 82

- (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 83

- (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 84

- (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 85

- (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 90

- (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 93

- (Topic 2)

Bar codes and radio frequency identification systems are key technologies in supply chain systems because they perform which of the following functions?

- A. Tracking truck locations on cross-country deliveries
- B. Facilitating timely and accurate data acquisition
- C. Providing paperless invoicing of goods
- D. Producing schedule broadcasts for suppliers

Answer: B

NEW QUESTION 97

- (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 100

- (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 103

- (Topic 2)

The most important challenge to consider when sourcing globally is:

- A. the identification of sources capable of producing the materials.
- B. the availability of low-cost labor and energy.
- C. complying with specific import/export issues.
- D. balancing the difference between piece price and total cost.

Answer: D

NEW QUESTION 104

- (Topic 2)

Direct shipment distribution typically offers which of the following advantages?

- A. Risk pooling is facilitated.
- B. Demand variability is reduced.
- C. Service levels are increased.
- D. Lead times are reduced.

Answer: D

NEW QUESTION 109

- (Topic 2)

An increase in the inventory turnover rate for a supply chain typically would indicate that there has been a reduction in:

- A. prices to the end user.
- B. supply chain cost of sales.
- C. the manufacturer's inventory.
- D. the total supply chain inventory.

Answer: D

NEW QUESTION 112

- (Topic 2)

Which of the following factors typically is most important in successfully implementing sales and operations planning (S&OP)?

- A. Involvement of specialists from all functional groups within an organization
- B. Creation of a dedicated S&OP organizational unit
- C. Involvement and accountability at senior management level
- D. Focus on 3 months to 18 months in the future

Answer: C

NEW QUESTION 115

- (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 118

- (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 120

- (Topic 3)

The recovery element of a reverse logistics supply chain strategy is best illustrated by:

- A. the use of refillable containers by a water supply company.
- B. the use of rechargeable batteries by an individual.
- C. a grower selling fresh-produce scrap to other farmers.
- D. the reduction of energy consumption by a manufacturer.

Answer: A

NEW QUESTION 123

- (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 124

- (Topic 3)

Which of the following actions best exemplifies an appropriate demand management strategy?

- A. Reducing costs in the procurement of goods
- B. Prioritizing demand when supply is constrained
- C. Maximizing sales orders from customers
- D. Updating the sales and operations planning (S&OP) to changes in production capacity

Answer: B

NEW QUESTION 125

- (Topic 3)

The most significant reason for altering supply chain management practices in an organization would be a change in its:

- A. executive management.
- B. corporate strategy.
- C. profitability of operations.
- D. financial position.

Answer: B

NEW QUESTION 129

- (Topic 3)

Which of the following outcomes is an advantage of automating the request-for-quote process?

- A. Reducing cycle time
- B. Disposing of excess inventories
- C. Centralization of product service content
- D. Enabling contract management

Answer: A

NEW QUESTION 130

- (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 131

- (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 132

- (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 135

- (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 139

- (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 141

- (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 142

- (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 145

- (Topic 3)

A new sales and marketing director who wants to transform a company into a customer driven organization most likely would consider:

- A. allowing customers to use their preferred channels to interact with the company.
- B. implementing an independent system to capture customer data.
- C. minimizing the number of customer contacts.
- D. focusing product design on manufacturing strengths.

Answer: A

NEW QUESTION 148

- (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 151

- (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 152

- (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 153

- (Topic 3)

A company recently faced an increase in backorders. The company's marketing department recently ran a sales promotion. The purchasing and planning departments were not aware of the promotional activity. Which of the following processes will help to solve this type of problem in the future?

- A. Sales and operations planning (S&OP)
- B. Advanced planning and scheduling (APS)
- C. Supplier relationship management (SRM)
- D. Customer relationship management (CRM)

Answer: A

NEW QUESTION 154

- (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 156

- (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 158

- (Topic 3)

Short order cycles to facilitate rapid replenishment will result in:

- A. minimal in-process inventory.
- B. fewer inventory moves.
- C. improved communications to customers.
- D. increased supplier collaboration.

Answer: A

NEW QUESTION 162

- (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 167

- (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 172

- (Topic 3)

A company used Global Reporting Initiative guidelines to complete a self-assessment. Which of the following actions would be the most appropriate next step?

- A. Share information with all stakeholders
- B. Obtain top management support
- C. Identify action items
- D. Conduct gap analysis

Answer: D

NEW QUESTION 175

- (Topic 3)

Which of the following approaches most likely will help a company reduce its cost of sales while increasing customer loyalty?

- A. Business process design
- B. Business development mapping
- C. Customer relationship management
- D. Sales contact management

Answer: C

NEW QUESTION 176

- (Topic 3)

Which of the following objectives is the primary driver in the design and implementation of lean process management?

- A. Reducing the level of inventory
- B. Decreasing the cash-to-cash cycle
- C. Integrating processes between departments
- D. Satisfying customer requirements

Answer: D

NEW QUESTION 178

- (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 182

- (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 186

- (Topic 3)

The employees at a convenience store are trained to ask customers purchasing snack foods whether they also would like to purchase a beverage. This situation is an example of:

- A. cross-selling.
- B. customer service.
- C. product marketing.
- D. selling an upgrade.

Answer: :A

NEW QUESTION 188

- (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 189

- (Topic 3)

A retailer wants to partner with its suppliers to implement automatic replenishment of inventories and joint sales forecasts. Which of the following supply chain management technologies most likely would support the retailer's strategy?

- A. Advanced planning and scheduling
- B. Collaborative planning, forecasting, and replenishment
- C. Supplier relationship management applications
- D. Radio frequency identification (RFID) tags

Answer: B

NEW QUESTION 192

- (Topic 3)

Effective sales and operation planning (S&OP) is most likely to result in which of the following benefits?

- A. Better customer service
- B. Better product quality
- C. Lower product cost
- D. Lower work-in-process (WIP) inventory

Answer: A

NEW QUESTION 196

- (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 198

- (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 199

- (Topic 3)

Before discontinuing a product based on activity-based cost calculations, one should primarily consider the effects upon:

- A. activity-based cost calculations of other products.
- B. value stream mapping of complementary products.
- C. research and development (R&D) costs of new products.
- D. overhead absorption rates across product lines.

Answer: A

NEW QUESTION 200

- (Topic 3)

A company that desires to implement a strategy for inventory management must define which of the following factors?

- A. Reliability and maintainability requirements
- B. Variability in the customer demand
- C. Overall item effectiveness
- D. Inventory carrying costs

Answer: B

NEW QUESTION 202

- (Topic 3)

Which of the following actions is most likely to improve the cash-to-cash cycle time?

- A. Find suppliers with lower total cost of ownership (TCO)
- B. Implement vendor-managed inventory (VMI) with key suppliers
- C. Implement vendor-managed inventory (VMI) with key customers
- D. Establish targeted promotions for the most profitable market segments

Answer: B

NEW QUESTION 205

- (Topic 3)

A manufacturer has direct relationships with its tier 1 suppliers. Which of the following supplier capabilities is a benefit to the manufacturer establishing a direct relationship with lower-tier suppliers?

- A. Provides smaller lot sizes
- B. Provides components with short lead times
- C. Provides Just in Time deliveries
- D. Provides information about impending shifts in the economy

Answer: D

NEW QUESTION 206

- (Topic 3)

Use of a centralized distribution center rather than a decentralized distribution network typically results in which of the following consequences?

- A. Distribution system overhead is higher.
- B. Customer delivery time is shorter.
- C. Total transportation costs are lower.
- D. Safety stock levels are lower.

Answer: D

NEW QUESTION 210

- (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 214

- (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 218

- (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 223

- (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 228

- (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 231

- (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 236

- (Topic 3)

Which of the following activities is forbidden in a foreign trade zone?

- A. Remarketing or repackaging imports to avoid fines
- B. Breaking up large shipments to reduce import duties
- C. Reexporting goods without paying duties
- D. Conducting retail trade

Answer: D

NEW QUESTION 237

- (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 240

- (Topic 3)

Value stream mapping is a useful tool primarily because it:

- A. redefines supply chain relationships.
- B. is completed in 1 or 2 days.
- C. is used to improve efficiency in a specific area.
- D. looks at the entire supply chain rather than an isolated process.

Answer: D

NEW QUESTION 241

- (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 244

- (Topic 3)

Which of the following statements indicates an attribute of international commercial terms (Incoterms)?

- A. They are required contract terms for international trade.
- B. Each term implies the responsibilities of the buyer and seller.
- C. Discounts and surcharges are identified by the terms.
- D. The terms are reviewed annually by the International Chamber of Commerce.

Answer:

B

NEW QUESTION 245

- (Topic 3)

A company produces to stock and sells its products to distributors. The factor that most likely will contribute to the risk of loss in inventory investment is the:

- A. accuracy of demand forecasts.
- B. replenishment lead time.
- C. level of product quality.
- D. variability in supply.

Answer: A

NEW QUESTION 250

- (Topic 3)

A common benefit of including an automatic identification system (AIS) at the point of sale (POS) in retail stores is improved:

- A. shipment traceability.
- B. unit inventory precision.
- C. sales revenue tracking.
- D. information integrity of freight bills.

Answer: B

NEW QUESTION 253

- (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 258

- (Topic 3)

The theory of constraints (TOC) works best in an environment where the:

- A. product mix for the operation changes daily.
- B. constraint cannot be easily managed.
- C. constraint cannot be easily identified.
- D. constraint persists long enough to be managed effectively.

Answer: D

NEW QUESTION 261

- (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 265

- (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 266

- (Topic 3)

An information technology system that couples enterprise resources planning and an advanced planning system would be most appropriate for which of the following types of business operations?

- A. Multiple plants in multiple industries
- B. Multiple plants in the same supply chain
- C. Multiple supply chains of different products

D. Multiple supply chains of the same product

Answer: B

NEW QUESTION 268

- (Topic 3)

Which of the following statements is true when a contract manufacturing agreement is implemented?

- A. There is no longer a need for material requirements planning.
- B. The total cost of acquiring products will decrease.
- C. Communications and project management are key factors for success.
- D. Assets on the contract manufacturer's balance sheet typically will decrease.

Answer: C

NEW QUESTION 273

- (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 276

- (Topic 3)

Managing risk should be a strategic part of supply chain management because:

- A. the occurrence of unanticipated risks essentially can be eliminated.
- B. not all members of the supply chain consider and respond to the same types of risks.
- C. substantial financial penalties can be assessed if legal requirements are not met.
- D. it helps to reduce the occurrence and consequences of unplanned negative events.

Answer: :D

NEW QUESTION 278

- (Topic 3)

If a firm has 35 days of accounts payable outstanding and 55 days invested in inventory, and its cash-to-cash cycle time is 90 days, what is the number of days of accounts receivable?

- A. 70
- B. 90
- C. 110
- D. 180

Answer: A

NEW QUESTION 279

- (Topic 3)

A project team has received 30 improvement ideas from subject matter experts in the business. Which of the following continuous improvement tools would be most appropriate to use to sequence implementation timing based on an agreed-upon weighted criteria?

- A. Affinity diagram
- B. Matrix diagram
- C. Prioritization matrix
- D. Interrelationship digraph

Answer: C

NEW QUESTION 280

- (Topic 3)

A company is beginning the process of defining market segments for its products and services. The most appropriate objective for this undertaking would be to identify groups of customers with similar:

- A. geographical locations.
- B. buying power.
- C. revenue potential.
- D. service requirements.

Answer: D

NEW QUESTION 285

- (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 288

- (Topic 3)

Which of the following characteristics typically is a feature of supplier relationship management?

- A. Supplier employees are located at the firm's facilities.
- B. Inventory is verified before the supplier ships the goods.
- C. Performance of both firms is measured and reported regularly.
- D. The supplier is the sole source for the goods.

Answer: C

NEW QUESTION 291

- (Topic 3)

Which of the following activities is critical to successful synchronization of supply and demand throughout a supply chain?

- A. Sharing demand information
- B. Placing large orders to obtain lower prices
- C. Reducing the number of deliveries
- D. Maintaining increased inventories

Answer: A

NEW QUESTION 292

- (Topic 3)

In order to optimize delivery routing and load planning as well as to provide advanced shipment notifications (ASN's), which of the following technology platforms should be implemented to plan and manage the above operations?

- A. Electronic Data Interchange (EDI)
- B. Enterprise Resource Planning (ERP)
- C. Event Management System (EMS)
- D. Transportation Management System (TMS)

Answer: D

NEW QUESTION 294

- (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 298

- (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 303

- (Topic 3)

Use of a private warehouse is most appropriate when a firm needs to:

- A. adjust warehouse capacity easily for seasonal products.
- B. perform a limited number of specialized activities for customers.
- C. control operating policies and hours to respond to changes in market demand.
- D. take advantage of economies of scale and scope to increase profitability.

Answer: C

NEW QUESTION 308

- (Topic 3)

A company exports products to emerging markets. Which of the following approaches would be used to enhance compliance, minimize risks, and connect supply chain activities?

- A. Logistics network planning
- B. Distribution requirements planning
- C. Supply chain event management
- D. Global trade management

Answer: D

NEW QUESTION 313

- (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 314

- (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 317

- (Topic 3)

Some firms that have licensed other companies to manufacture their products run the risk of:

- A. losing market share.
- B. the other companies becoming competitors.
- C. the products becoming a commodity.
- D. the products being overpriced.

Answer: B

NEW QUESTION 321

- (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 324

- (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 327

- (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 330

- (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 334

- (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 338

- (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 343

- (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 348

- (Topic 3)

A manufacturer experiences frequent changes in product technology and market preferences, resulting in new product introductions each year. Which of the following sourcing strategies would be most appropriate?

- A. Sole sourcing
- B. Multiple sourcing
- C. Long-term contracting
- D. Strategic partnering

Answer: D

NEW QUESTION 350

- (Topic 3)

The use of kanban for item replenishment by external suppliers requires:

- A. accurate long-term forecasts.
- B. returnable plastic containers.
- C. close communication about component usage.
- D. a process for the reverse supply chain.

Answer: C

NEW QUESTION 352

- (Topic 3)

Horizontal and vertical exchanges of secure data among supply chain partners are facilitated best by:

- A. the intranet.
- B. a portal.
- C. a Web site.
- D. e-mail.

Answer: B

NEW QUESTION 357

- (Topic 3)

Which of the following circumstances best describes a roadblock to implementing customer relationship management and supplier relationship management?

- A. Concern about conflicts of interest with partners in the supply chain
- B. Lack of defined industry standards
- C. Deterioration of customer service levels
- D. Increased access to information for supply chain partners

Answer: A

NEW QUESTION 361

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