

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)

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.
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- D. Marketing and development incorporates SCOR Level I metrics for new product design.

Answer: B

NEW QUESTION 3

- (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 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)

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 6

- (Topic 1)

A manufacturer of plastic components that are sold either directly or through distributors wants to identify the requirements of the end customers for each market segment. Which of the following approaches would be most appropriate?

- A. Analyzing the buying history for each of the market segments
- B. Asking the manufacturer's direct customers
- C. Conducting a market research project
- D. Sending samples of potential future products to the final customers

Answer: C

NEW QUESTION 7

- (Topic 1)

Which of the following outcomes is a benefit typically expected of customer relationship management (CRM)?

- A. Reducing the size of the sales force by automating activities
- B. Gaining a better understanding of customer requirements
- C. Implementing automated inter-organizational processes

D. Focusing sales efforts on the most profitable customers

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)

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 10

- (Topic 1)

A firm wants to lose customers that don't value the unique products and services the firm offers and to attract and retain customers that want what the firm offers. Engaging in this activity should allow the firm to:

- A. create a more loyal customer base.
- B. improve customer satisfaction rates.
- C. increase market share.
- D. target higher-profit customers.

Answer: A

NEW QUESTION 10

- (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 13

- (Topic 1)

Which of the following indicators is most appropriate to use as a measure of supply chain utilization?

- A. Production equipment productivity
- B. Net asset turnover
- C. Value-added productivity per employee
- D. Upside flexibility

Answer: B

NEW QUESTION 18

- (Topic 1)

The primary objective of supply chain management is:

- A. minimizing transportation costs.
- B. reducing inventory levels.
- C. taking a systems approach.
- D. implementing advanced technologies.

Answer: C

NEW QUESTION 23

- (Topic 1)

Keeping all other factors equal, a company typically will try to maintain higher service levels for products with:

- A. wider variety.
- B. shorter lead time.
- C. higher profit margins.
- D. lower sales volumes.

Answer: C

NEW QUESTION 25

- (Topic 1)

A company that produces standardized products and sells them through retailers via a responsive transportation system has decided to expand its sales with an online store for customized products. Which of the following distribution strategies would be the most appropriate for the business-strategy change?

- A. Local distribution centers serving retailers and online sales
- B. Centralized cross-docking facilities serving retailers and online sales
- C. A centralized distribution center serving retailers and direct shipment from the factory serving online sales
- D. A centralized distribution center serving retailers with transshipment arrangements serving online sales

Answer: C

NEW QUESTION 29

- (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 31

- (Topic 1)

The probability of customer dissatisfaction is highest when which of the following conditions exists?

- A. Customer expectations are clearly defined.
- B. Supplier execution is too low.
- C. There is a gap between expected performance and perceived performance.
- D. There is a gap between what was indicated and what was accomplished.

Answer: C

NEW QUESTION 35

- (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 38

- (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 39

- (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 42

- (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)

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

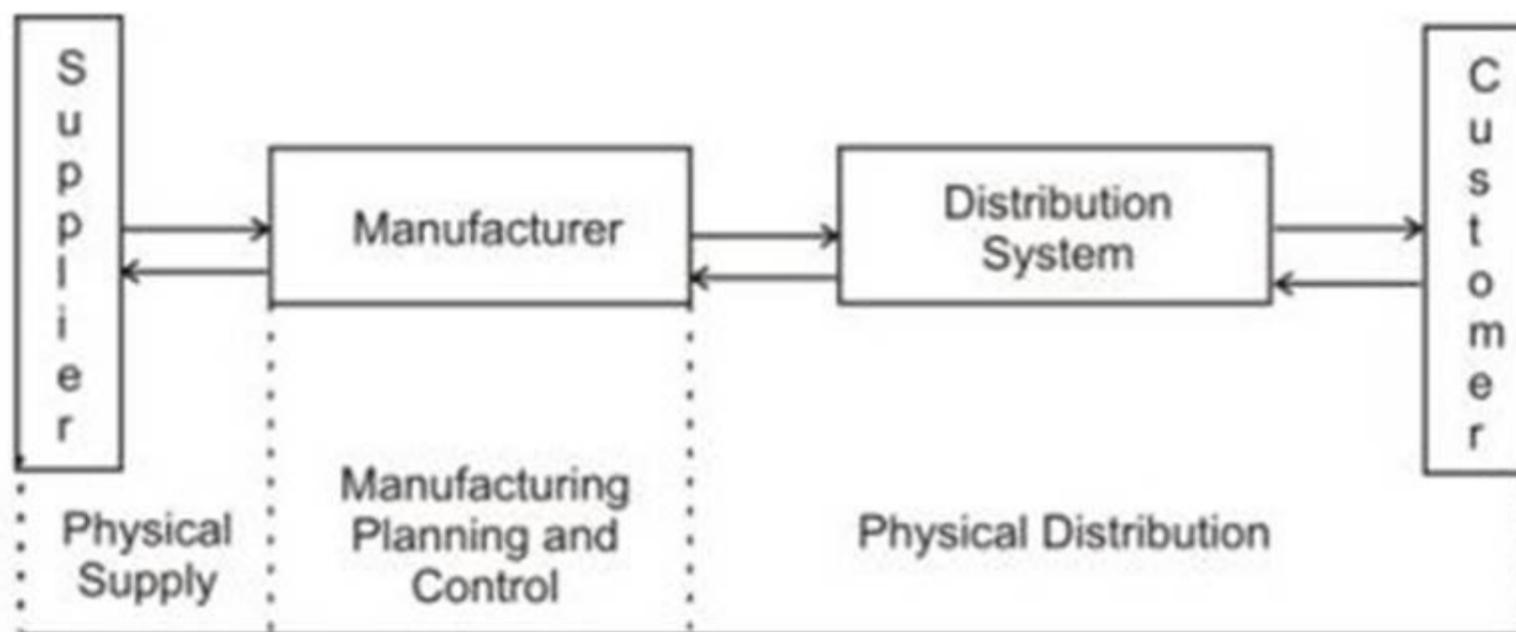
- A. Delphi technique
- B. Survey method
- C. Causal method
- D. Time series analysis

Answer: A

NEW QUESTION 49

- (Topic 1)

The question below is based on the following flowchart:



Which of the following phrases most accurately describes the complete flow of demand information?

- A. From supplier to customer
- B. From customer to manufacturer
- C. From customer to supplier
- D. From supplier to manufacturer

Answer: C

NEW QUESTION 53

- (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 58

- (Topic 1)

Which of the following customer relationship management activities most appropriately is used for revenue generation?

- A. Generating customer leads
- B. Generating graphic sales models
- C. Measuring customer preferences
- D. Identifying customer margins

Answer: A

NEW QUESTION 62

- (Topic 1)

The focus of collaborative supply chain management differs from a transactional approach by its emphasis on the:

- A. transportation of goods to the next link in the chain.
- B. flow of product information up to the next level of the chain.
- C. flow of demand information and cash up the chain.
- D. flow of supply into an organization.

Answer: C

NEW QUESTION 67

- (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 70

- (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 73

- (Topic 1)

A firm supplies a single line of products to consumers using retail stores and on-line sales, distributors, and wholesalers. Currently the firm has common pricing and response times for sales in each sales channel. Which of the following tools is most appropriate to employ to improve profitability?

- A. Customer segmentation
- B. Customer-facing ordering systems
- C. Customer relationship management (CRM)
- D. Supply Chain Operations Reference (SCOR®)

Answer: A

NEW QUESTION 75

- (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 76

- (Topic 2)

A company currently produces custom goods for a limited market. To increase market share, the company will implement a strategy to reduce the number of products it produces and reduce delivery lead time. The company can increase its chances of achieving the strategy by:

- A. using benchmark data for products in the same product groups.
- B. incorporating results from market surveys.
- C. involving customers in the product design process.
- D. using electronic communications to receive customer complaints.

Answer: C

NEW QUESTION 78

- (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 82

- (Topic 2)

The strategy to implement supplier relationship management has been developed. The most appropriate next step is to:

- A. develop criteria for prospective partners.
- B. develop policies for alliances.
- C. select initial partners.
- D. conduct a pilot implementation.

Answer: A

NEW QUESTION 84

- (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 88

- (Topic 2)

Which of the following actions is in accordance with the Ten Principles in the United Nations (UN) Global Compact?

- A. Preventing a group of employees from forming a collective bargaining (union) group
- B. Paying different wages in different parts of the world for a given job classification
- C. Requiring an individual to pay a fee for consideration in hiring or promotion decisions
- D. Withholding certain employment opportunities from specific groups of people

Answer: B

NEW QUESTION 93

- (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 94

- (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 98

- (Topic 2)

The mission of the global reporting initiative (GRI) is to provide a:

- A. comparison of key metrics for companies in the same industries across the globe.
- B. feasible business plan that can be shown to global potential investors.
- C. trusted and credible framework for reports regarding sustainability practices.
- D. transparent collaboration between non-profit organizations and governments.

Answer: C

NEW QUESTION 101

- (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 106

- (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 108

- (Topic 2)

When implementing e-commerce in the supply chain, a company's toughest challenge most likely will be:

- A. getting all vendors to computerize.
- B. translating data into universal standards.
- C. convincing the information technology department of the value.
- D. explaining the reason for change to customers.

Answer: B

NEW QUESTION 111

- (Topic 2)

A company that has consistently achieved a high level of on-time delivery performance has decided to reduce its inventory level significantly. Which of the following outcomes is the most likely effect of that decision on the company's on time delivery performance?

- A. There will be no effect.
- B. It will decline and then stabilize at a lower level.
- C. It will improve and then stabilize at a higher level.
- D. It will decline until sales erode.

Answer: B

NEW QUESTION 114

- (Topic 2)

Inventory parameters established using analytic inventory techniques typically are based on balancing:

- A. supply and dependent demand.
- B. customer service and inventory costs.
- C. transportation and warehousing costs.
- D. inventory levels and decision-making costs.

Answer: B

NEW QUESTION 118

- (Topic 2)

Customizing can be an effective warehousing strategy because it allows a company to:

- A. allocate available storage space to optimize handling costs.
- B. address trade-offs between space and material handling needs.
- C. effectively design its inbound and outbound dock areas.
- D. add value to the product through modification, labeling, and packaging.

Answer: D

NEW QUESTION 123

- (Topic 2)

The process used to determine the impact of promotions, price discounts, and rebates on demand forecasts commonly is referred to as demand:

- A. planning.
- B. forecasting.
- C. aggregating.
- D. shaping.

Answer: D

NEW QUESTION 125

- (Topic 2)

Which of the following ISO standards is used to assist organizations with sustainable development?

- A. ISO 31000
- B. ISO 14001
- C. ISO 26000
- D. ISO 9001

Answer: C

NEW QUESTION 127

- (Topic 2)

An effective procurement strategy for commodity products should focus on:

- A. driving down cost and reducing risk.
- B. spreading purchases equally across suppliers.
- C. selecting primary and alternate sources.
- D. selecting suppliers with value-added products.

Answer: A

NEW QUESTION 130

- (Topic 2)

Implementation of supply chain applications based on which of the following technologies is most likely to have the lowest fixed costs?

- A. Best of breed packages
- B. One integrated package
- C. Service-oriented architecture
- D. Software-as-a-service

Answer: D

NEW QUESTION 134

- (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 2)

A manufacturer offers a trade-in allowance on a new machine when the customer returns the old machine. The manufacturer reconditions the returned machine locally and then sells it on the used market for a profit. This program is an example of a focus on:

- A. environmentally sensitive engineering.
- B. gray box design.
- C. green manufacturing.
- D. sustainability in operations.

Answer: D

NEW QUESTION 140

- (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 141

- (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 145

- (Topic 3)

Which of the following actions is most appropriate when implementing a strategy to create customer-affordable value?

- A. Use a more rapid transportation mode.
- B. Increase safety stock.
- C. Extend product warranty.
- D. Employ lean principles.

Answer: D

NEW QUESTION 147

- (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 148

- (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 151

- (Topic 3)

A company understates current revenue forecasts and delays the delivery of orders to meet the forecast. The most likely result of this practice is that shipments will peak:

- A. at the beginning of reporting periods.
- B. randomly throughout reporting periods.
- C. at both the beginning and end of reporting periods.
- D. at the end of reporting periods.

Answer: A

NEW QUESTION 156

- (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 157

- (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)

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 160

- (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 164

- (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 167

- (Topic 3)

Which of the following performance indicators can be used to measure the effectiveness of a vendor-managed inventory program?

- A. Number of inventory receipts
- B. Inventory usage
- C. Inventory returns
- D. In-stock rate

Answer: D

NEW QUESTION 168

- (Topic 3)

When trying to decide whether to outsource its customer relationship management function, a company primarily should consider which of the following factors?

- A. Location of the service provider
- B. Internal controls of the company
- C. Compatibility of computer hardware
- D. Transaction costs

Answer: B

Explanation:

A grocery store found that ground beef sales increased when buns were a featured sales item. This customer relationship management technique is called:

- A. data mining.
- B. data tracking.
- C. contact management.
- A. D. order entry. Answer: A

NEW QUESTION 169

- (Topic 3)

Which of the following factors should be considered when establishing an inventory policy?

- A. Customer demand
- B. Selling price history
- C. Historical service levels
- D. Number of customers

Answer: A

NEW QUESTION 172

- (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 177

- (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 178

- (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 181

- (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 183

- (Topic 3)

Pull strategy typically would be the most appropriate strategy when customer demand uncertainty is:

- A. high, and supplier lead time is long.
- B. high, and supplier lead time is short.
- C. low, and supplier lead time is long.
- D. low, and supplier lead time is short.

Answer: B

NEW QUESTION 188

- (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 191

- (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 192

- (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 196

- (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 199

- (Topic 3)

A company recently implemented a new supplier rating system. Data was collected from the enterprise resources planning system about each vendor's rating for cost, quality, and delivery over 12 months. A cutoff point was established for poor performers. The responsible purchasing agent then scheduled meetings with each supplier. Which of the following actions is most appropriate to take with suppliers whose ratings were below the cutoff point?

- A. Discuss ways to raise the ratings for the next review period.
- B. Tell the suppliers they are on probation for 3 months.
- C. Immediately cancel outstanding contracts with those suppliers.
- D. Ask the suppliers to explain the poor performance.

Answer: A

NEW QUESTION 203

- (Topic 3)

Purchased component standardization generates savings primarily by reducing:

- A. assembly costs through economies of scale.
- B. engineering costs due to lower testing requirements.
- C. inventory control costs due to smaller shelf space requirements.
- D. inventory transportation costs by using economical modes.

Answer: A

NEW QUESTION 204

- (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)

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 213

- (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 218

- (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 222

- (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 225

- (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 226

- (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 230

- (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 235

- (Topic 3)

A large, global third party logistics provider (3PL) is contemplating the switch to the use of ethanol-based fuel in its truck fleet and wants to identify the impact of this change on food prices. Which of the following attributes of the triple bottom line (TBL) are part of this trade off decision?

- A. Organizational, financial and social
- B. Social, financial and environmental
- C. Social, environmental and organizational
- D. Organizational, financial and environmental

Answer: B

NEW QUESTION 239

- (Topic 3)

A procurement manager wants to reduce costs on commodity items. Which of the following actions is likely to result in the greatest savings?

- A. Conducting a supplier review and recertification
- B. Renegotiating contracts with commodity suppliers
- C. Standardizing and eliminating redundant items
- D. Leveraging group purchasing power

Answer: D

NEW QUESTION 241

- (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 245

- (Topic 3)

Variation in upstream requirements can be reduced by increasing:

- A. demand visibility.
- B. production capacity.
- C. product features.
- D. safety stock.

Answer: A

NEW QUESTION 247

- (Topic 3)

Which of the following elements is critical to successfully using a sales and operations planning process?

- A. Focusing on performance of the past 12 to 18 months
- B. Implementing a unified cross-functional plan and process
- C. Implementing bottom-up decision making
- D. Aligning the forecast to the annual budget

Answer: B

NEW QUESTION 252

- (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 257

- (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 260

- (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 265

- (Topic 3)

The practice of purchasing items in large quantities and requesting that shipments be delivered directly to customers is referred to as:

- A. drop shipping.
- B. cross-docking.
- C. breaking bulk.
- D. freight equalization.

Answer: A

NEW QUESTION 266

- (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 267

- (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 269

- (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 273

- (Topic 3)

A primary reason for enhancing supply chain security is to:

- A. meet government requirements.
- B. reduce insurance costs.
- C. improve lead time.
- D. protect brand image.

Answer: D

NEW QUESTION 274

- (Topic 3)

A company that manufactures complex mechanical assemblies to customer order and ships them directly to the customer is implementing manufacturing cells. The benefit most likely to result from this effort is a reduction in the:

- A. number of component shortages.
- B. production planning horizon.
- C. time to fill customer orders.
- D. response time to a request for quote.

Answer: C

NEW QUESTION 277

- (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 282

- (Topic 3)

A supplier has decided to improve its forecast accuracy by reducing the information lead time from the retailer. Which of the following actions would be most appropriate to achieve the desired result?

- A. Eliminating sales and promotions
- B. Decentralizing demand information
- C. Reducing its quoted lead time
- D. Utilizing electronic data interchange

Answer: D

NEW QUESTION 284

- (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 289

- (Topic 3)

Which of the following actions by a group of trading partners is most likely to improve the flow of funds among them?

- A. Increasing the level of information sharing and collaboration
- B. Negotiating a single set of terms for the trading partners
- C. Reducing the time allowed for the timely payment discount
- D. Implementing links among their information systems

Answer: A

NEW QUESTION 290

- (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 293

- (Topic 3)

A manufacturer with operations in an area prone to natural disasters is reviewing its sustainability strategy. Which of the following production strategies should the company implement to reduce the risk of supply interruptions?

- A. Centralized
- B. Decentralized
- C. Make-to-order
- D. Engineer-to-order

Answer: B

NEW QUESTION 294

- (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 295

- (Topic 3)

Which of the following outcomes is most likely a result of allocating excess capacity to a supply chain facility?

- A. Lower utilization which leads to higher cost
- B. Higher utilization which leads to higher cost
- C. Higher utilization which leads to lower cost
- D. Lower utilization which leads to lower cost

Answer: A

NEW QUESTION 298

- (Topic 3)

Which of the following reverse logistics activities involves reusing refurbished products?

- A. Return management
- B. Disposal and reclamation
- C. Decomposing and recycling
- D. Remanufacturing and repair

Answer: D

NEW QUESTION 301

- (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 305

- (Topic 3)

The relative speed at which all transactions within the supply chain process occur is known as:

- A. the cycle time.
- B. velocity.
- C. latency.
- D. throughput.

Answer: B

NEW QUESTION 309

- (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 311

- (Topic 3)

During the sales and operations planning (S&OP) horizon, planned inventory can best be used to:

- A. implement a time-phased stock replenishment plan.
- B. allow for consistent production lot sizing.
- C. buffer the company against unknown fluctuations in demand.
- D. minimize storage and transportation costs.

Answer: C

NEW QUESTION 314

- (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 319

- (Topic 3)

Which of the following strategies is most appropriate for managing unknown risks in a global supply chain?

- A. Vertical integration
- B. Technology integration with suppliers
- C. Investing in redundancy
- D. Strengthening supplier relationships

Answer: C

NEW QUESTION 322

- (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 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)

Which of the following constituents typically must provide information first to effectively improve supply chain design?

- A. Supplier
- B. Distribution system
- C. Manufacturing
- D. Customer

Answer: D

NEW QUESTION 333

- (Topic 3)

Which of the following steps is first in developing a product differentiation strategy?

- A. Study customer needs
- B. Define customer segments
- C. Determine design modifications
- D. Establish competitive priorities

Answer: A

NEW QUESTION 334

- (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 337

- (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 342

- (Topic 3)

When evaluating several possible supply chain options, a firm considering the minimal total cost should:

- A. ensure that the inventory levels are as low as possible to minimize holding costs while still providing adequate customer service.
- B. account for the combined costs of holding buffer inventory and incurring inventory shortages.
- C. consider the costs of acquiring, holding, and transporting inventory, and of servicing customers.
- D. place buffer inventory in the lowest cost locations that meet lead time and service level requirements from customers.

Answer: C

NEW QUESTION 347

- (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 350

- (Topic 3)

A company most likely would implement a supplier certification program to:

- A. improve the supplier's procurement process.
- B. abide by ISO standards.
- C. validate the supplier's compliance with requirements.
- D. implement point-of-sale (POS) terminals.

Answer: :C

NEW QUESTION 355

- (Topic 3)

Turning the request-for-quotes process into a real-time auction setting most likely will:

- A. improve product quality.
- B. increase process costs.
- C. reduce cycle time.
- D. reduce bid cost.

Answer: C

NEW QUESTION 360

- (Topic 3)

The logistics value proposition involves matching:

- A. identification of appropriate sourcing partners with service reliability metrics.
- B. activity-based costing practices with supply chain financial strategy.
- C. cost minimization practices with balanced scoreboard performance.
- D. operating competency and commitment with key customer requirements.

Answer: D

NEW QUESTION 365

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