

CSCP Dumps

Certified Supply Chain Professional

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NEW QUESTION 1

- (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 2

- (Topic 1)

Which of the following consequences is a result of shipping directly from the point of manufacture to the customer rather than through a distribution network?

- A. Delivery lead times are consistent.
- B. Risk pooling benefits are negated.
- C. Distribution overhead is increased.
- D. Order-fill rate is decreased.

Answer: B

NEW QUESTION 3

- (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 4

- (Topic 1)

A remanufacturer of equipment is most likely to have what type of supply chain?

- A. Modular logistics
- B. Reverse logistics
- C. Mixed model
- D. Lateral

Answer: B

NEW QUESTION 5

- (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 6

- (Topic 1)

Which of the following corporate strategies is most consistent with a flexible supply chain strategy?

- A. Being the low-price leader
- B. Providing the highest-quality service
- C. Providing mature products with stable sales
- D. Emphasizing the quality of the product

Answer: B

NEW QUESTION 7

- (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 8

- (Topic 1)

A large wholesaler formerly owned a number of delivery trucks. The wholesaler sold all of its trucks and now purchases transportation services from fleet operators. This is an example of which of the following strategies?

- A. Selling and leasing back equipment.
- B. Renting equipment on consignment.
- C. Using a third-party logistics provider.
- D. Using an owner-operator fleet.

Answer: C

NEW QUESTION 9

- (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 10

- (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 10

- (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 15

- (Topic 1)

The primary reason for the evolution of the supply chain is:

- A. fewer rejects due to poor quality.
- B. increased on-time delivery.
- C. increased cost savings.
- D. increased communication.

Answer: D

NEW QUESTION 17

- (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 19

- (Topic 1)

A main benefit of using customer relationship management (CRM) is:

- A. maximization of on-time delivery.
- B. minimization of product returns.
- C. identification of customers with high lifetime value.
- D. finding new markets for existing products and services.

Answer: C

NEW QUESTION 20

- (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 21

- (Topic 1)

Which of the following benefits of supplier relationship management typically results from collaboration with a few critical suppliers?

- A. Automation of supplier sales activities
- B. Elimination of formal contracts
- C. Reduction in customer and supplier inventories
- D. Standardization of communications

Answer: C

NEW QUESTION 25

- (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 26

- (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 27

- (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 29

- (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 32

- (Topic 1)

The factors to consider in the make-or-buy decision include costs, proprietary knowledge, and:

- A. design history.
- B. available capacity.
- C. inventory balance.
- D. warehouse location.

Answer: B

NEW QUESTION 33

- (Topic 1)

What is the primary role of marketing in supporting supply chain management?

- A. Selecting favored supplier partners
- B. Developing efficient customer channels
- C. Focusing on short-term forecasting accuracy
- D. Working with research and development on slow-moving products

Answer: B

NEW QUESTION 35

- (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 40

- (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 42

- (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 44

- (Topic 2)

Which of the following strategies would increase overall supply chain risk?

- A. Single sourcing a product that makes the highest annual profit
- B. Outsourcing a product that is not well suited to your operations
- C. Identify multiple sources for a product that has a potential for supply chain disruption
- D. Internally manufacturing a product that has a high level of technical intellectual property

Answer: A

NEW QUESTION 47

- (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 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 54

- (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 59

- (Topic 2)

Which of the following actions would be most appropriate for an enterprise that has successfully integrated internal supply chain management systems and functions?

- A. Focusing on reducing setup times
- B. Implementing a firewall to limit access to supply and demand data
- C. Working with key suppliers to reduce costs and lead times
- D. Working with trading partners to reduce channel redundancies

Answer: C

NEW QUESTION 61

- (Topic 2)

Managing supply chain risks includes which of the following activities?

- A. Developing alternatives to key suppliers
- B. Setting aside funds for disruption-recovery efforts
- C. Charging each supply chain partner a portion of risk cost
- D. Creating extra inventory to cover disruptions in the supply chain

Answer: A

NEW QUESTION 66

- (Topic 2)

Allowing for organizational restructuring is an example of which of the following steps in creating successful strategic alliances among suppliers?

- A. Managing multifaceted relationships
- B. Negotiating a win-win deal
- C. Planning for change
- D. Conducting pulse checks

Answer: C

NEW QUESTION 71

- (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 72

- (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 76

- (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 80

- (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 85

- (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 87

- (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 88

- (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 nothin
- 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 91

- (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 95

- (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 100

- (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 103

- (Topic 2)

A manufacturer and the distributors of its products have decided to focus on price and product availability as strategic priorities. Which of the following values would be the most appropriate measure of customer service?

- A. Manufacturer's volume flexibility
- B. Order-fulfillment lead times
- C. Distributors' order-fill rates
- D. Supply chain inventory days of supply

Answer: C

NEW QUESTION 107

- (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 111

- (Topic 2)

The globalization of a supply chain typically increases uncertainty and:

- A. production lead time.
- B. local competition.
- C. documentation complexity.
- D. product standardization.

Answer: C

NEW QUESTION 113

- (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 114

- (Topic 2)

Component commonality in manufacturing primarily allows a company to:

- A. optimize production runs for the components.
- B. use less-specialized machinery.
- C. decrease single-minute exchange of die processes.
- D. increase planning and control.

Answer:

A

NEW QUESTION 115

- (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 117

- (Topic 2)

Which of the following outcomes occurs when direct shipping is used instead of a distribution network?

- A. Outbound transportation cost is reduced.
- B. Inventory velocity is reduced.
- C. Order-fill rates are reduced.
- D. Inventory obsolescence is reduced.

Answer: D

NEW QUESTION 120

- (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 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 127

- (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 130

- (Topic 3)

Which of the following actions is most likely to improve customer perceptions about delivery performance provided by a firm?

- A. Shipping orders early whenever possible
- B. Increasing the order-fill rate
- C. Increasing inventory velocity for key products
- D. Implementing a pull inventory replenishment system

Answer: B

NEW QUESTION 133

- (Topic 3)

What benefit does Radio Frequency Identification (RFID) technology provide for a high- volume, low-cost manufacturer?

- A. Reduces store thefts

- B. Eliminates the effects of bullwhip
- C. Eliminates stock out at store level
- D. Reduces number of touch points in pallet handling

Answer: D

NEW QUESTION 135

- (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 139

- (Topic 3)

Which of the following factors is the most important driver of supply chain change?

- A. Health and safety concerns
- B. Competitor actions
- C. Government regulations
- D. Customer perceptions of value

Answer: D

NEW QUESTION 142

- (Topic 3)

Which of the following approaches reduces lead times from supplier to customer using point of sale data?

- A. Advanced shipping notice (ASN)
- B. Continuous quality improvement (CQI)
- C. Vendor-managed inventory (VMI)
- D. Efficient consumer response (ECR)

Answer: D

NEW QUESTION 144

- (Topic 3)

Which of the following methodologies is most appropriate to use to drive continuous improvement?

- A. Define-measure-analyze-improve-control process
- B. Kanban
- C. Poka-yoke
- D. Pareto analysis

Answer: A

NEW QUESTION 149

- (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 152

- (Topic 3)

Which of the following export documents is used as the basis for the valuation of goods for insurance purposes and for assessment of duties?

- A. Export license
- B. Export declaration
- C. Bill of lading
- D. Commercial invoice

Answer: D

NEW QUESTION 155

- (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 158

- (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 163

- (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 165

- (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 166

- (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 168

- (Topic 3)

Prioritizing customer needs is best accomplished by:

- A. sharing information with key customers.
- B. installing a new enterprise resources planning system.
- C. responding to customer requests in the order they are received.
- D. establishing policies and procedures for honoring customer requests.

Answer: D

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 170

- (Topic 3)

A firm may use which of the following technologies to track the flow of inventory across its entire supply chain?

- A. Distribution requirements planning
- B. Radio frequency identification
- C. Transportation management system
- D. Warehouse management system

Answer: B

NEW QUESTION 172

- (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 177

- (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 180

- (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 185

- (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 189

- (Topic 3)

Which of the following technologies directly enables pulling products through the supply chain?

- A. Automatic identification system (AIS)
- B. Point of sale (POS) system
- C. Customer relationship management (CRM)
- D. Supply chain event management (SCEM)

Answer: B

NEW QUESTION 191

- (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 194

- (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 199

- (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 202

- (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 206

- (Topic 3)

The most useful inventory costing method which enables purchase price variance analysis is:

- A. average costing.
- B. standard costing.
- C. last in first out (LIFO) costing.
- D. first in first out (FIFO) costing.

Answer: B

NEW QUESTION 210

- (Topic 3)

A company that is having difficulties prioritizing resources against a long list of improvement projects should use which of the following processes?

- A. Control chart
- B. Competitive benchmarking
- C. Pareto analysis
- D. Six Sigma

Answer: C

NEW QUESTION 211

- (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 213

- (Topic 3)

In an assemble-to-order manufacturing environment, the master production schedule is typically the schedule of:

- A. resources.
- B. customer orders.
- C. components and subassemblies.
- D. the final assembly.

Answer: C

NEW QUESTION 216

- (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 218

- (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 220

- (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 221

- (Topic 3)

A company has revenues of \$100,000, which includes 10% supply chain expense and 80% other expenses. Which of the following actions will result in the largest increase in gross profit?

- A. Increase sales by 25%.
- B. Increase sales by 10% and reduce supply chain expense to 8%.
- C. Increase sales by 15% and reduce supply chain expense to 9%.
- D. Reduce supply chain expense to 5%.

Answer: :D

NEW QUESTION 225

- (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 226

- (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 231

- (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 236

- (Topic 3)

Which of the following tradeoffs should be considered when selecting logistics options?

- A. Safety stock levels and customer service levels
- B. Inventory levels and scheduling operations
- C. Transportation cost and speed of delivery
- D. Centralized and decentralized distribution network

Answer: C

NEW QUESTION 239

- (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 244

- (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 245

- (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 247

- (Topic 3)

Which of the following manufacturing strategies would run the greatest risk of increasing obsolete inventory costs?

- A. Make-to-stock
- B. Assemble-to-order
- C. Make-to-order
- D. Engineer-to-order

Answer: A

NEW QUESTION 251

- (Topic 3)

Which of the following conditions is most likely to occur shortly after the introduction of an innovative product family?

- A. Forecast errors will be low.
- B. Production lead time will increase.
- C. An inventory buffer will be required.
- D. Demand will be stable.

Answer: C

NEW QUESTION 255

- (Topic 3)

A pattern of increased shipments from manufacturing plants to a central warehouse at month-end and quarter-end typically would cause which of the following situations in a central warehouse?

- A. Fluctuation in required labor resources
- B. Decreased use of storage capacity
- C. Decreased transportation costs
- D. Increased outbound shipments

Answer: :A

NEW QUESTION 257

- (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 262

- (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 267

- (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 268

- (Topic 3)

A typical advantage of a production outsourcing strategy for a company focusing on agility as a competitive priority is that:

- A. monitoring costs are decreased.
- B. production lead time is increased.
- C. product quality is increased.
- D. product introduction time is decreased.

Answer: D

NEW QUESTION 272

- (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 273

- (Topic 3)

An operations manager wants to measure variability in the delivery time of insurance policies to clients. Which of the following quality tools most appropriately would show the level of variability?

- A. Pareto chart
- B. Histogram
- C. Scatterplot
- D. Check sheet

Answer: B

NEW QUESTION 277

- (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 281

- (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 283

- (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 287

- (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 292

- (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 294

- (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 299

- (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 301

- (Topic 3)

A company uses cash-to-cash cycle time to assess how long it takes from:

- A. receiving inventory from the supplier to paying the invoice from the supplier.
- B. receiving inventory from the supplier to invoicing the customer.
- C. paying the supplier for inventory received to receiving payment from the customer.
- D. invoicing a customer to receiving payment from the customer.

Answer: C

NEW QUESTION 304

- (Topic 3)

Which of the following factors are fundamental to transportation performance?

- A. Full truck loads, maintenance, discounts
- B. Quality, Just-in-Time, invoicing
- C. Contract performance, order tracking, flexibility
- D. Cost, speed, delivery consistency

Answer: D

NEW QUESTION 308

- (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 313

- (Topic 3)

Which of the following statements describes a continuous replenishment strategy in a retail environment?

- A. Retailers make replenishment decisions.
- B. Retailers prepare individual orders and share sales data with vendors to improve customer service.
- C. Vendors use sales data and prepare shipments to maintain the desired level of inventory.
- D. Vendors take full control of inventory policy.

Answer: C

NEW QUESTION 317

- (Topic 3)

Effective sales and operations planning (S&OP) can contribute most to which of the following objectives?

- A. Increasing product quality
- B. Increasing the number of new customers
- C. Reducing unexpected customer requests
- D. Reducing excess inventory

Answer: D

NEW QUESTION 322

- (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 326

- (Topic 3)

Which of the following outcomes is the primary benefit to an organization that develops a supplier certification program?

- A. Supplier capability is documented.
- B. Inspection costs are reduced.
- C. Delivery time is improved.
- D. Negotiating power is strengthened for the certifying organization.

Answer: B

NEW QUESTION 327

- (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 331

- (Topic 3)

Which of the following techniques allows users to automate the notification of appropriate parties when exceptions to specific business rules occur?

- A. Enterprise resources planning
- B. Supply chain event management
- C. Advanced planning and scheduling
- D. Automatic identification and data capture

Answer: B

NEW QUESTION 336

- (Topic 3)

Which of the following tools is most important in developing strategic sourcing?

- A. Price break analysis
- B. Network analysis
- C. Blanket purchase order
- D. Spend analysis

Answer: D

NEW QUESTION 339

- (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 342

- (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 345

- (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 348

- (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 350

- (Topic 3)

Which of the following supply chain attributes is most appropriate for products with wide variety and highly variable demand?

- A. Efficient
- B. Responsive
- C. Short
- D. Virtual

Answer: B

NEW QUESTION 354

- (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 356

- (Topic 3)

A company plans to benchmark its shipping reliability compared to other companies in the industry. Which measurement is most appropriate to benchmark in this case?

- A. Perfect order fulfillment
- B. Upside supply chain flexibility
- C. Order fulfillment cycle time
- D. Total inventory days of supply

Answer: A

NEW QUESTION 359

- (Topic 3)

An office furniture manufacturer observed that customers preferred to configure desks based on their available office space. To keep product costs to a minimum, yet satisfy customer needs, the company should choose which of the following design strategies?

- A. Modularity

- B. Component commonality
- C. Mass customization
- D. Standardization

Answer: A

NEW QUESTION 364

- (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 368

- (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 373

- (Topic 3)

Which of the following actions is key to identifying potential problems in lean supply chain development?

- A. Implement vendor managed inventory
- B. Install a supply chain solution
- C. Reduce customer order size
- D. Reduce inventory levels

Answer: D

NEW QUESTION 375

- (Topic 3)

A car manufacturer has 40000 cars in inventory, of which 5000 are electric. The manufacturer expects to sell 5000 cars per day, of which 4000 are estimated to be gasoline cars. The days of supply for electric cars is:

- A. 40 days.
- B. 10 days.
- C. 8 days.
- D. 5 days.

Answer: D

NEW QUESTION 377

- (Topic 3)

Marketing affects supply chain management decisions primarily by its involvement in:

- A. analyzing economic indicators.
- B. pricing, placing, and promoting products.
- C. determining product requirements.
- D. determining forecast error.

Answer: B

NEW QUESTION 382

- (Topic 3)

Which of the following processes is included in reverse logistics?

- A. Designing a new product out of recycled material
- B. Restoring a worn-out product to like-new condition
- C. Reducing the amount of packaging material in a product
- D. Eliminating toxic materials in a product

Answer: :B

NEW QUESTION 383

- (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 384

- (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 389

- (Topic 3)

Designing a supply chain to maximize responsiveness and flexibility is most appropriate for which of the following types of organizations?

- A. Public utility provider
- B. Configurable products manufacturer
- C. Commodity goods supplier
- D. Luxury goods manufacturer

Answer: B

NEW QUESTION 390

- (Topic 3)

Which of the following continuous improvement methodologies focuses on reduction of defects by reducing process variation?

- A. Just-in-Time (JIT)
- B. Kaizen
- C. Six Sigma
- D. Theory of constraints

Answer: C

NEW QUESTION 394

- (Topic 3)

Which of the following measures typically would be considered an aspect of the environmental impact of a supply chain?

- A. Amount of funds invested in infrastructure improvements
- B. Hours of employee education about environmental stewardship
- C. Weight and volume of packaging materials used
- D. Total number of people making a living wage

Answer: C

NEW QUESTION 398

- (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 400

- (Topic 3)

Which of the following actions is an initial step in a continuous process improvement model?

- A. Creating a flowchart to map the process
- B. Benchmarking against another company
- C. Setting specific performance goals
- D. Developing a realistic project plan

Answer: A

NEW QUESTION 403

- (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 404

- (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 409

- (Topic 3)

A company is considering relocating production to a lower-wage country. Volatility in which of the following areas most likely would impact profitability without modifying product landed costs?

- A. Labor costs
- B. Currency exchange rates
- C. Commodity prices
- D. Product quality

Answer: BExplanation:NEWQUESTIONS

NEW QUESTION 412

- (Topic 3)

The most appropriate strategy for a firm that makes and sells a wide range of items typically would be to domestically source items that have which of the following characteristics?

- A. Short product life cycle and many variations
- B. Short product life cycle and few variations
- C. High labor value and low transport uncertainty
- D. High labor value and high transport uncertainty domestically

Answer: A

NEW QUESTION 416

- (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 417

- (Topic 3)

A distributor has a network consisting of a central distribution center serving five regional distribution centers that ships to multiple retailers. The distributor wants to reduce inventory while maintaining product availability. Which of the following actions is most likely to produce the desired outcome?

- A. Centralizing inventory for slow-moving items
- B. Reducing the quoted price for slow-moving items
- C. Implementing cross-docking at the central distribution center
- D. Implementing continuous replenishment at the regional centers

Answer: A

NEW QUESTION 419

- (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 423

- (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 427

- (Topic 3)

E-business allows a firm to capitalize on the use of systems that:

- A. speed the receipt of e-mails between companies.
- B. permit real-time use of supply chain data.
- C. permit the use of batch-processed data.
- D. ensure security of proprietary data.

Answer: B

NEW QUESTION 430

- (Topic 3)

In the analysis of costs, fixed costs are those that are:

- A. independent of the volume of output.
- B. dependent on the utilization of the asset.
- C. inversely proportionate to the volume of output.
- D. constant through the useful life of the asset.

Answer: A

NEW QUESTION 434

- (Topic 3)

Which of the following activities is the most appropriate use of an advanced planning and scheduling system?

- A. Selecting the target market for a product
- B. Optimizing transportation routes
- C. Creating a daily demand forecast
- D. Identifying constraints within a facility

Answer: D

NEW QUESTION 438

- (Topic 3)

A company regularly issues sustainability reports in accordance with the Global Reporting Initiative (GRI) framework and uses the reports to track continuous improvement. Which of the following topics could be found in the sustainability reports?

- A. Labor practices
- B. Product specifications
- C. Raw material costs
- D. Currency exchange rates

Answer: A

NEW QUESTION 442

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